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## WEST EUROPE REPORT

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PEOPLE'S ALLIANCE LEADER GRIMSSON: ICELAND MUST JOIN 'ZONE'

Reykjavik MORGUNBLADID in Icelandic 29 Oct 81 p 30

[Article by Olafur Ragnar Grimsson: "Nordic Ministers Want to Exclude Iceland"]

[Text] The MORGUNBLADID editorial last Tuesday discussed the stand taken by spokesmen of the "No to the Atom Bomb" movement in Norway in prohibiting Icelandic students in Oslo from participating in demonstrations urging Iceland to join the nuclear-weapons-free zone in Scandinavia. The editorial contends that this exclusion is the result of the Icelandic air base opponents' explanations of Iceland's link with the nuclear weapons system of the United States. Furthermore, the editorial states that Iceland is fully eligible to take part in discussions about nuclear weapons among the Scandinavian governments. The former explanation of the paper is wrong, and the latter is very misleading. Assuming that the readers of the paper want to know the truth, we think it is necessary to give further information about the Scandinavian talks.

NATO-Backers in "No to the Atom Bomb" Do Not Want Iceland to Join

The Norwegian movement "No to the Atom Bomb" is a multifaceted movement whose sole purpose is to oppose Norway's link to the nuclear weapons system of the United States. It includes both the opponents and proponents of Norway's membership in NATO. The latter group wants to continue Norway's military cooperation with NATO allies, which is based on conventional weapons only, and to relieve Norway of all obligations regarding participation in the nuclear weapons system of the United States and NATO. Norway's obligations regarding nuclear weapons call for permission to station nuclear weapons there during times of tension and war and to operate radio transmitters and other military equipment connected with the functioning of the nuclear weapons system in the North Atlantic, especially nuclear submarines.

Since the movement does not take a stand on Norway's membership in NATO, it has gained the support of many NATO backers who make the aforementioned distinction between traditional military cooperation, on the one hand, and nuclear arms cooperation, on the other. Some of these NATO-backers are largely responsible for the foundation of the movement, and its executive board consists of some influential people from their ranks. The executive board is the body that makes policy decisions for the individual demonstrations. According to the movement's structure, the executive board has absolute decision-making power.

There has been disagreement on the executive board as well as in other circles in the movement as to whether Iceland should be included in the nuclear weapons free zone in Scandinavia. The opponents of Norway's membership in NATO, as well as other movement members, want Iceland included in the demand for a nuclear weapons free zone in Scandinavia. The NATO backers on the executive board are the ones who want to exclude Iceland. The main spokesman for the exclusion policy has been Professor Erik Alfsen from Oslo University, who has actually chaired the movement. Erik Alfsen has fought bravely against nuclear proliferation and deserves compliments for his efforts. It has become clear, however, that he is also a staunch supporter of NATO, and that is the main reason for his unwillingness to have Iceland included. Erik Alfsen has always vetoed proposals within the "No to the Bomb" movement to include Iceland. That is no secret. It has been repeatedly revealed in the Norwegian press.

Thus, the air base opponents are not the ones who have formulated the Norwegian exclusion policy vis-a-vis Iceland. This exclusion policy is the demand of NATO backers within the Norwegian movement. The allies of Iceland's air base opponents within "No to the Atom Bomb" want to include Iceland. One of them is Berit As, a former member of Parliament. NATO-backers, however, have exercised their veto power against this proposal.

#### Norwegian Ministers Want to Exclude Iceland

It is not only the NATO faction within "No to the Atom Bomb" that wants to exclude Iceland from the nuclear weapons free zone in Scandinavia. According to the press, this exclusion policy also prevailed among the foreign ministers of the Scandinavian countries and their representatives at the meeting in Copenhagen in September. Detailed articles in the Danish, Norwegian, Swedish and Finnish press disclosed that the establishment of a nuclear weapons free zone in Scandinavia was the main topic at the meeting and that two Scandinavian NATO members, Denmark and Norway, were to be included in it. The reporters discussed in detail how the membership of the two NATO countries influenced the further development of the issue, and it was clear that the foreign ministers had taken into account their membership in NATO when they decided on their next move.

Throughout the entire discussion, there was no mention of the third country, Iceland. Iceland was clearly kept outside the ministers' definition of the zone. Foreign Minister Olafur Johannesson revealed at a meeting with Icelandic students in Oslo last weekend that he had asked at the conference of Scandinavian countries last month in Copenhagen whether Iceland was to be included in the zone and that he had received only vague answers. It was later revealed that Iceland would not be included. On the other hand, the decision was made to include Denmark and Norway in the zone.

What Olafur Johannesson said confirms what the major newspapers in Denmark, Norway and Sweden have been saying. Iceland is not included in the planned nuclear weapons free zone in Scandinavia. Olafur Johannesson's comments at

the meeting with the Icelandic students in Oslo undeniably confirm the decision to exclude us. It is clear that the foreign minister tried to obstruct the exclusion policy of the other ministers vis-a-vis Iceland.

When he returned home from the meeting in Copenhagen, Olafur Johannesson gave a more detailed account of the foreign ministers' discussions in the Althing Foreign Affairs Committee. That account was naturally more complete and exact than his rundown at the meeting with students in Oslo. According to Althing bylaws, discussions in the Foreign Affairs Committee are confidential.

Unfortunately, it is a fact that Scandinavian leaders want to exclude Iceland from the nuclear weapons free zone in Scandinavia. This attitude must be changed. Icelandic air base opponents have tried to change it. Icelandic students in Oslo have tried to change it. Olafur Johannesson has tried to change it at the foreign ministers meeting in Copenhagen. How about if MORGUNBLADID joined me and Johannesson, the students and the air base opponents and also tried to change this Nordic exclusion policy against Iceland.

Comment from the Editor: Show Patience and Understanding

1) As Olafur Ragnar Grimsson's article reveals, Icelandic air base opponents are being denied participation in the Norwegian movement "No to the Atom Bomb." MORGUNBLADID thought the exclusion was due to the air base opponents' stand on nuclear weapons. We shall not argue with Olafur Ragnar Grimsson about whether the exclusion stems from the air base opponents' demand that Iceland resign from NATO.

2) The title of Olafur Ragnar Grimsson's article is his own and explicitly shows his motivation: to make people think that the entire nation is just as left out of the Nordic discussions as the air base opponents. This effort by the Althing representative is doomed to failure, as his claim is utterly unfounded. Iceland's foreign minister participated in the discussions among Scandinavian ministers in Copenhagen on a nuclear free zone and cosponsored a resolution declaring invalid the unilateral proclamation by the Scandinavian countries that they would never resort to nuclear weapons in their defense and stating that the issue should be viewed in the context of general disarmament developments in Europe. As regards Iceland in particular, it is the policy of the Icelandic Government not to have any nuclear weapons in this country without the consent of the people. Previously, MORGUNBLADID voiced its support for the resolution of the foreign ministers last September and has often declared its support for the policy of the government on nuclear weapons. Moreover, the paper has made an effort to acquit the country of the air base opponents' slander about the presence of nuclear weapons in this country. It is a fact that Iceland is a link in the so-called "Nordic balance." What applies to the nuclear weapons free zone doubtless applies as well to the Nordic balance; charity begins at home. Iceland cannot expect others to fight for its cause. There is ample opportunity for this at the meetings of the Scandinavian foreign ministers, even if freedom of speech for the air base opponents is limited among their allies.



3) Before the end of last week, Olafur R. Grimsson accused MORGUNBLADID of cooperating with the Soviet Union. Is it a coincidence that he himself is asking for a partnership with the newspaper a few days later?

4) At their national conference last weekend, the air base opponents discussed their links with the so-called peace movements in Europe. The discussions were not peaceful, and Olafur R. Grimsson's interest in the matter was the object of debate. If in his efforts to be "in on the discussions" of the air base opponents, the Althing representative considers it to his advantage to twist what MORGUNBLADID writes about defense, then the paper would ask its readers to be patient and understanding with him.

8743

CSO: 3111/3

## BRIEFS

HAND GRENADES FOUND--Yesterday at 1445 hours the Kalavasou police discovered two hand grenades in good condition at the Teratsoudi locality in the village of Maroni.  
[Text] [Nicosia O AGON in Greek 25 Nov 81 p 8]

BOMB EXPLOSION--A powerful bomb exploded yesterday at 1100 hours in front of the business establishment of Stavros Galatariotis on Aghiou Andreou Street in Limassol. The front of the store was damaged and the furniture in the window was destroyed by the resulting fire, which was extinguished by the fire department. The main offices of the Galatarioti company are located above the Galatarioti store. The explosion occurred when Stavros Galatariotis was meeting with newsmen at the RIK [Cyprus Broadcasting Corporation] after appearing on the television program "Meet the Press." He departed the meeting hastily after learning about the explosion.  
[Excerpts] [Nicosia I SIMERINI 21 Nov 81 p 1]

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## NEW TRENDS IN TERRORIST ACTIVITY VIEWED

Zurich NEUE ZUERCHER ZEITUNG in German 11 Nov 81 p 2

[Report by correspondent R. M.: "Unclassified Trends in German Terrorist Underground--Blurred Lines of Distinction Between Right and Left"]

[Text] Bonn, 9 Nov--The question as to the danger represented by rightwing terrorism in Germany has suddenly moved into the limelight again. As many as 31 arms caches evidently established by neo-Nazis were discovered in the Lueneburg Heath 10 days ago, and a couple of weeks before that there was a shoot-out between an extreme rightist group and police in which two extremists were killed. A similar fright was caused last year when there occurred a number of acts of violence which also were connected with rightwing terrorist activities. Let us recall primarily the bomb attack at the Munich Oktoberfest, in which 13 people were killed and more than 200 wounded--in all likelihood staged by an extreme rightist fellow traveler, Gundolf Koehler, who was among those killed. A not insignificant part of the picture of the increase in rightwing terrorist activities, particularly in the past couple of years, was the exchange of fire at the Aargau-German border in late December 1980 in which two Swiss police were killed by the wanted extreme rightist arms smuggler Schubert.

## The Arms Discoveries in the Lueneburg Heath

As for the spectacular arms finds in the Lueneburg Heath, there are a great many questions that remain to be answered. There is little doubt but that it was Chief Forest Ranger Heinz Lembke, well known as an extreme rightist, who established the caches which were discovered accidentally by a forest worker driving a wooden post into the ground. Lembke hanged himself in his prison cell shortly after being arrested. After fleeing from the GDR to the Federal Republic in 1959, he had maintained active contacts with various extreme rightist circles for many years. Among other things, he was a member of the German National Democratic Party (NPD), which however since its temporary electoral successes in the sixties has only been leading a shadowy political existence. In the end Lembke apparently played a leading role in the extreme rightist League of Patriotic Youth. House searches have been conducted at the places of residence of several members of this group in the meantime, but no detailed information on the results have become known so far.

Nor has it become clear as yet where the arms came from which Lembke and his presumed accomplices had buried in 88 wooden chests at 31 different places in the Lueneburg Heath. (The weapons consisted primarily of explosives, firearms, ammunition, grenades and minor quantities of various poisons.) After the discovery there was talk at

first of the arms having come primarily from Bundeswehr [Federal Armed Forces] stocks, but the investigating authorities have stated in the meantime that there is no solid evidence of this. Nor has there been any detailed information so far about what concrete plans might have been made for the use of the discovered arms. Referring to the latest symptoms of rightist terrorist trends, Minister of the Interior Baum in a recent interview outlined the priorities of the extreme rightist scene in the Federal Republic as follows. According to information gathered by the security authorities, there are at present 75 organizations with not quite 20,000 members that may be classified as extreme rightist. The overwhelming majority of these persons--18,000 in number--are part of the so-called organized or legalized extreme right represented by the NPD. About 1,400 persons, composed increasingly of young people in the past few years, belong to various groups classified as militant neo-Nazi. A particularly disquieting characteristic of militant extreme rightism is its recent evidently rather broad international entanglement. According to Baum, about 150 of the 1,400 neo-Nazi activists are classified as "potentially violent."

#### Growing Potential of Violent Activity

In purely numerical terms, the problem of extreme rightism thus appears to be of rather modest dimensions. Even counting the largely still passive NDP supporters, the 20,000 extreme rightists who the security authorities say exist constitute only 0.03 percent of the 60 million FRG citizens. However, such figures at best show something about the political power of attraction of extreme rightist/neo-Nazi ideas, not about its potential of violence. At least in the past couple of years, the latter obviously has become much more dangerous than might be presumed on the basis of the more or less constant number of supporters.

The same, incidentally, is true of the leftist terrorist machinations in the Federal Republic. There had not been much talk about these after the big actions of the seventies and the elimination of several leading figures, as well as a number of failures after that. Not until the bomb attacks on U.S. military installations and the attempt to assassinate the U.S. supreme commander in Germany, General Kroesen, in August and September, did it become apparent that this type of terrorism has not just petered out but that apparently a new generation of groups of the Red Army Faction (RAF) founded by Andreas Baader and Ulrike Meinhof had established themselves. Thus, differently from the seventies, today extreme rightist and leftist groups are active at the same time in the terrorist underground, and no one can predict which side might stage the next explosion of violence.

#### Organizational Cross-Connections

One must, however, gradually come to wonder whether it really still makes sense to continue consistently to distinguish between right and left in the German terrorist scene, which is confused in every respect. The parallels and points of convergence between the originally differently structured trends apparently are no longer limited only to the intellectual sphere, and, notwithstanding the many differences in external mannerisms, there exists a common feature of reducing all the bad things in this world with sheer simplification to a single rough enemy pattern. Of greater significance appear to be certain organizational cross-connections which very recently have come to the fore between leftist and rightist terrorist groupings. These lead primarily to the Middle East and to the PLO, with which today evidently both RAF activists and Germany neo-Nazis from the, meanwhile banned, "Hoffmann Military Sports Group" are maintaining manifold contacts. It is with Hoffmann's group that Gundolf Koehler, the presumed murderer of the Munich Oktoberfest, was in contact, and Hoffman himself is under definite suspicion of having taken part directly in the murder of the Jewish publisher Levin in Nuernberg a year ago.

## MAIN POINTS OF INTERIM ECONOMIC PLAN OUTLINED

Paris L'USINE NOUVELLE in French 29 Oct 81 pp 74-75

[Article by Francois Roche: "The Interim Plan. What Enterprise Can Expect From It"]

[Text] Buildup of capital stock, harnessing interenterprise credit, and restructuring of the system of assistance are the key points of the interim plan for the PME [Small and Medium-Sized Enterprises] in a text which otherwise contains no surprises.

Complete conformity with the goals defended since 10 May by the Mauroy government: one cannot expect anything else from the 2-year interim plan drawn up in 3 months and presented last week by Hubert Prevot, commissioner-general of the plan. One finds in this document all the key points of the action of the prime minister and his government: revival of the economy, rearrangement of industrial structures, regionalization, a 35-hour week, etc.

On the other hand the chapters on the role and functioning of the enterprises are richer in information. In this field the planners did not fear to delve quite deeply into details, even if they only rarely provide precise answers to the problems they raise. There remains a complex of exhortations and announcements of measures which give a good idea of the administrations' projects concerning the operation of the PME:

Stabilize the burden of imports and social security contributions. In this regard the plan specifies neither when nor how, but notes that the stabilization of tax pressure on enterprises is preferable to the proliferation of forms of assistance. On the occasion of the reform of local taxation one must expect a certain harmonization of national taxes with the local.

Strengthen capital stock. The government plans to intensify the granting of participation loans, especially to small enterprises. Thus enterprises employing fewer than 25 wage-earners and showing a turnover of no more than 10 million francs will be able to receive such loans to a maximum of 300,000 francs. In addition, the insurance companies will have to use a minimum percentage (not yet fixed) to buy shares of companies not quoted. The same effort was asked of the SIVAC's [Variable Capital Investment Companies].

Improve productivity. Under this rubric the plan indicates, without further detail, the revaluation of the function of purchase as an important means of improving productivity.

Limit the credit of enterprises. This is a point on which the drafters of the plan strongly insist (and one cannot say they are wrong. In periods of crisis interenterprise credit has an unfortunate tendency to drag out interminably. Payment delays of 120 days are not rare today, and these practices severely penalize the PMI [Small and Medium-Sized Industries]. To limit the evil effects, the government hopes to replace progressively the supplier credit with purchaser credit. This implies a revolution in the financial morals of French industry, which will not be achieved without difficulties, for this raises the problem of guarantees. Actually the reserve property clause included today in most commercial contracts guarantees the seller and his banker against the risk of non-payment. If the credit is granted to the buyer, the bank, even if nationalized, will have to seek other forms of guarantees which have not yet been worked out in detail.

Lower the obstacles to transferring enterprises. The intention is good, but there again, there are no other details; the plan simply announces the harmonization of taxation on take-overs.

Encourage the creation of enterprises. This is an original step: the staffs of the large enterprises will be encouraged to create or to acquire PME's, with the guarantee of being reintegrated in their original enterprise in case of failure.

#### A Plan Which Suffers From Two Major Defects

This is the essence of a ponderous text which at times seems more like a detailed government program than a real planning tool. For this plan suffers from two major defects: the 1982 budget, the content of which is now known, is practically not referred to in it, so that it really could not be taken into consideration until 1983. The second weakness pointed out by Jean Saint-Geours (president of the 2-year plan) in his report: "The lack of a financing diagram translating the main choices and ensuring both compatibilities and realism seemed to prevent relating these choices with others, especially establishing their order of priority..."

The next agenda items are: discussions for about a month in the Economic and Social Council, then reexamination by a Council of Ministers, and finally presentation to the National Assembly between now and the end of the year.

6108

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## GOVERNMENT HANDLING OF DASSAULT GIFT DETAILED

Paris LE NOUVEL ECONOMISTE in French 26 Oct 81 pp 86-91

[Article by Jacques Barraux and Philippe Gazier: "Mr Dassault's Gift"]

[Text] Extreme caution is the word. In negotiating a "homeopathic" nationalization, the Mauroy government is trying to preserve the Dassault industrial model. This precaution is all the more important as the group enters a turbulent period.

Marcel Dassault has always liked to hand out gifts. It is part of the legend of the man. But he saved the best for the end of his career: the donation to the government of 26 percent of the capital of Avions Marcel Dassault-Breguet Aviation, a "favor" valued at between 1 and 2 billion francs.

In the coming days, Mr Dassault and government representatives will be at the notary's office finalizing the agreement protocol signed 8 October at Matignon. The prime minister hailed "Mr Dassault's gesture to the government." Already a 20 percent shareholder since 1978, the government has only to buy 5 percent of the Dassault-Breguet shares on the stock exchange to become a majority shareholder. This purchase is in fact not needed to govern: the 20 percent share already held by the government comes with double voting power. With Mr Dassault's gift, the government has 54 percent of the votes without spending a dime. In return the Mauroy government is promising a slow and gradual nationalization.

Has one of the richest men in Europe belatedly developed a soft spot for socialism? "I have never been afraid of the Left," he has repeated to his grandchildren during family dinners on Sunday evenings at place de la Porte-de-Passy. The nationalization of Avions Marcel Bloch in 1936 enabled him to round out his fortune without losing the management of his factories (a businessman, who was none other than the father of Jacques Chirac, advised him at that time to establish what was later to become the Commercial Bank of Paris). The 1981 nationalization shows promise of being even more gradual. For 5 years the government will be content with 51 percent of Dassault-Breguet's capital. Mr Benno-Claude Vallieres, 71 years old, has been confirmed in his position as president and director-general of the firm (at least for a period of time, to ensure the management required by the major American competitors). Mr Marcel Dassault himself will retain the laughable title of "consulting engineer" that he gave himself 30 years ago now, when he became a member of Parliament.

But most importantly, the holding company which has controlled Avions Dassault-Breguet up to now, the SCEMD (Marcel Dassault Central Research Company) will continue to collect dividends, rents and royalties. A 49 percent shareholder alongside the government from now on, SCEMD still owns the patents (filed in Switzerland) and production licenses used by Dassault-Breguet, which guarantees it 3 percent on the sale of each plane. Moreover, as owner of the actual buildings at most of the plants, it will continue to collect rent.

Finally with two directors, Marcel and Serge Dassault (his son), the SCEMD retains the many assets of the group escaping nationalization: Electronique Marcel Dassault, and a large portfolio of industrial securities, among others. The SCEMD--whose financial director is Mr Rene Massing, Mr Dassault's right-hand man for his constant stock exchange transactions--controls Motobecane and occupies an important position in Institut Merieux, chez Paris-France (Radar supermarkets) and Gaz et Eaux (financial company of the Industrial Development Institute).

Because he has always lived in the shadow of the government and has lobbied under three republics, Mr Dassault is indifferent to the dialectics of the Right and the Left. A generous benefactor of the Gaullist Party since 1951, he has in his time openly assisted the SFIO [French Section of the Workers International]. He has also claimed to be a radical socialist and, ever since his meeting with Marcel Paul at Buchenwald, he has always proudly showed off his Communist friends. It is futile to try to place him in a specific circle of political influences. Mr Dassault is the last of those magnates born in the nineteenth century who were powerful and bold enough to place themselves above pressure groups and to dare to get friendly with the government, whether liberal or socialist.

It is clear, however, that the Dassault model has suffered somewhat from domestic and foreign political changes. After the Soviet invasion of Afghanistan and the election of Ronald Reagan as President of the United States, the two superpowers increased their pressure on the world arms market. Countries such as Pakistan now buy exclusively from the Americans. Lockheed, McDonnell-Douglas, General Dynamics and Northrop are trying to reap benefits from General Haig's tough diplomacy. Four adversaries in fighter-bombers is a lot.

#### Coordination

In the face of this situation, the group has encountered two problems. First it must coordinate its production strategy with the new socialist diplomacy. The Gaullist era of the third alternative created the group's success (France, the third world supplier was equipping countries concerned about maintaining their independence vis-a-vis the two powers). Nothing is changed in principle with Francois Mitterrand, but the international competition promises to be much tougher. For 15 years Dassault has exported two Mirage for every one ordered by the French Army. Can the pattern be maintained?

The second problem is one of size. Dassault-Breguet is one of the few fighter plane manufacturers today that has not tried to become part of a large industrial organization. In the United States, conglomerates such as United Technologies or LTV gradually absorb smaller companies spurned by giants like McDonnell-Douglas or Lockheed. In Europe, government corporations like British Aerospace are imposing a new industrial order in their country. All of this explains Mr Dassault's very



understanding attitude vis-a-vis the Socialist government. Three months from his ninetieth birthday, the founder of Dassault-Breguet seems to be relieved of a great burden. Serge Dassault, 54 years of age, formerly Sup-Aero and now president and director general of Electronique Marcel-Dassault, could certainly legitimately hope to head Avions Dassault-Breguet one day. Didn't Marcel Dassault himself say one evening in November 1978 at Antenne 2: "Tupolev has recently died in the East.... Is the successor his son by any chance?"

However, Marcel Dassault has always actually believed that his aviation companies would sooner or later go to the government. Valery Giscard d'Estaing and Raymond Berre had already decided in 1977 to force the purchase of Dassault-Breguet's capital. They wanted to create a public institution to manage the government's interests in both Dassault and Aerospatiale, the prelude to an unavoidable industrial reconciliation. The Council of State, the Finance Committee of the Assembly and Mr Dassault himself were opposed to these plans. SOGEPA (Aviation Management and Share Company), established in 1979, became in the end a simple investment company. The government bought 20 percent of Dassault-Breguet's stock through it, mainly by converting government claims, and received 20 percent of Aerospatiale's shares.

#### The Plan

SOGEPA had only a 20 percent share in Dassault-Breguet, but its representatives had veto power thanks to the double voting power. General Maurice Saint-Cricq, 60 years old, could therefore make the government's opinion hold sway: Giscard d'Estaing actually began the nationalization process.

Rising every day at 7:30, arriving at his office in "Jours de France" at 9:30, where his secretary Mrs Liliane Carre (a key person in his entourage) waited for him, Marcel Dassault personally conducted the negotiations with the new Socialist government, deliberately keeping his family out of it. The negotiations seem to have been facilitated by a preliminary meeting between General Pierre de Benouville and Gaston Defferre and Jacques Piette. They remained on the ground chosen by Mr Dassault from the beginning: nationalization in stages, the promise of a donation of shares, and no change in the current leaders.

Marcel Dassault usually goes to Gstaadt in Switzerland during August. This year he was in Megeve, where he has just built a chalet (as the altitude did not agree with him, he will undoubtedly not go back there...). At the beginning of August the government commissioner for Dassault-Breguet, Jean-Yves Gourtay (army controller), went to warn Mr Dassault. The negotiations were conducted by Georges Lemoine, the state secretary at Defense in charge of the Matra and Dassault projects, with controller general Jacques Barthelemy, director of his office (see the interview that follows). Mr Dassault was assisted by General Benouville each time. The nationalization of Dassault-Breguet was negotiated like a political agreement, not like an industrial agreement.

The new majority shareholder will undoubtedly need the 5 years planned to decide the future of the company. For if you look at the strategy and means of Dassault-Breguet, the group is nothing less than a small miracle of industrial biology. And the government's current concern with not upsetting the balance achieved by the play of the three forces wisely lined up by Mr Benno-Claude Vallieres is understandable.

- A stable and highly qualified management. On his return from deportation, Marcel Dassault met up again with his friends from the period between the wars: Mr Avllieres (a Sup-Aero recrutee from the classified ads in 1934) and Henri Deplante (a centrist who had worked with him at the research office since 1930). There was also Jean Cabriere (now technical director-general), Jean Rouault (research office), Lucien Martin (head mechanic at the prototype workshop) and Colonel Constantin Rozanoff (who was responsible for test flights and was killed in April 1954). The Ouragan, Etendard, Mystere and Mirage were part of the Dassault line that was designed and manufactured in its entirety by men who were used to working together for several decades and to whom Marcel Dassault gave a broad freedom of movement (there is no real organization chart at Dassault). Moreover, the group very early on made a point of preparing for the turnover in management positions, and young engineers were placed "in tandem" with their superiors in key posts.

- A very special method for piloting the programs. Dassault kept control over the programming. Most of the production was subcontracted to Aerospatiale, Latecoere or Hurel-Dubois. The group was responsible for the final assembly and test flights.

The interpenetration of Dassault's and Aerospatiale's production was one of the arguments used by Mr Barre to support the idea of bringing the two groups together. Are people aware that nearly 60 percent of the Falcon 50, 30 percent of the Mirage F1 and 20 percent of the Mirage 2000 are actually built by Aerospatiale?

Although Dassault directly employs 15,600 persons, nearly 4,000 of whom work in its research offices and testing centers, it provides work for between 40,000 and 50,000 others in the industry, also hiring temporary personnel--not a very satisfactory counterpart to the privileges the salaried workers in the group enjoy.

- Intensive development of families of planes based on the same design so as to make the best use of the basic equipment. Entirely new airplanes are rarely built at Dassault; they prefer to make variations on a model. This is a strategy that highly impressed experts from the Rand Corporation, who came to study the reasons for Dassault's success a few years ago at the request of the U.S. Air Force.

The following are two eloquent examples:

Development of the Mirage III, which had its first flight in 1956 and which generated a whole family of planes up to the present Mirage 50, "the least expensive Mach 2 fighter bomber on the market," according to Mr Vallieres. The descendants of the Mirage III have been purchased by the air force of 21 countries. At "Mirage," the vast, white Virginian style building in Vaucresson that houses the Dassault-Breguet headquarters, an impressive array of models on display in Mr Vallieres' office bears witness to this. About 1,400 planes of the III, 5 and 50 models have been sold in all.

The line of executive jets: the Mystere Falcon 20's (477 sold as of last September 30 and 449 delivered), the small Falcon 10's (217 ordered and 186 delivered), and, the latest model, the Falcon 50 three-engine jet, 179 of which have been sold (and 63 already delivered). In other words a total of 873 aircraft, 636 of which were sold by Falcon Jet Corporation in the United States and all of which are from the same drawing board. The 700th plane was delivered in October. Two more modern and technologically advanced versions (the Falcon 200 and 100), introduced during the

National Business Aviation Association (NBAA) meeting in Long Beach, have just completed an introductory tour overseas. Executive airplanes account for 15 percent of the group's sales today. This is what consoles the group over the bitter failure of the Mercure.

With compact teams of leaders, a proven practice of using subcontractors, and its ability to develop families of planes, can the Dassault model outlast the 15 or 20 men who have embodied it for 35 years and who will be retiring before 5 years are up? The difficult beginning of the Mirage 2000 and uncertainties as to the future of the Mirage 400 twin-engine jet lead us to ask the question. Isn't the government taking over an aging structure? This is what the figures tell us.

Dassault-Breguet has announced that it did a 12 billion franc business in 1981, or only a slight increase over 1980. Dassault is producing one airplane per working day, as it did last year (310 planes of all kinds off the production line last year).

The order book is still quite full--even though the level has been declining for the past year and a half. The withdrawal of the "offensive" equipment on the day the Bourget Show was officially inaugurated greatly concerned French arms manufacturers. On that day, Mr Dassault pleaded with Francois Mitterrand (the meeting took place at the chalet of the president of the aviation industries group, GIFAS [French Aeronautics and Space Industries Group]): "Mr President, how do you expect me to sell my airplanes if you make me show them without their weapons?"

Since that time, however, the Mauroy government has had the time to dispel these concerns. "The new ministers are excellent ambassadors of French products," noted Mr Vallieres. Charles Hernu, Michel Jobert and Claude Cheysson are considered to be more zealous than their Giscardian predecessors.

Nevertheless, the new product of the Dassault stables, the Mirage 2000, has yet to find its first foreign customer. "I am convinced that the Mirage 2000 will sell," says Mr Vallieres, "because it is a very good airplane. Its flying qualities and maneuverability are even better than what we had counted on. Moreover, many countries are interested in it." Optimistic about orders? At the end of 1982, the French army will take delivery of its first 2000's. "You know, we never used to sell anything for export before the first deliveries to the French government," reminded Mr Vallieres. Now negotiations are in an advanced stage with India--Dassault is ready to transfer 50 percent of the manufacturing to that country (150 orders under discussion, despite a strong counter-offensive by the Soviets)--and with Austria (25 orders anticipated). Iraq, Spain and Greece are also interested in the plane.

The Mirage 2000 would in fact have gotten off to a much better start if Thomson-CSF and Electronique Marcel-Dassault had kept to the timetable for developing a miniature version of a revolutionary type of radar: the RDI or Doppler pulse radar (from the name of its British inventor). RDI is designed especially for low-altitude interception aircraft; it provides surveillance both below and above the aircraft. The American F-15 and F-18 now have it.

Unfortunately, the first Mirage 2000's delivered next year will not be equipped with this radar. To the great disappointment of the French military, they had to make do

with a more conventional device, the RDM (Doppler multifunctional radar). This serious setback, which is in no way Dassault's fault, has been seen as a warning in aviation circles. French arms manufacturers must prepare themselves for a speed-up in technological innovation. This will entail painful revisions in the organization and procedures of the research offices.

With the Mirage 4000 twin-engine jet, Dassault-Breguet has problems of a different sort, this time financial. The leaders of the group decided a short time ago to develop the airplane with their own capital. It was a question of going ahead with the studies on the program of the fighter plane of the future (ACF), a program abandoned by the air force in 1975 in favor of the 2000 single-jet.

Therefore a prototype of the Mirage 4000 was built. It looks like a brilliant aircraft: by its sixth flight--one month after its first flight--it attained Mach 2, piloted by Jean-Marie Saget. Its potential competitor in Europe, the Tornado fighter plane (a joint venture of the English, the Germans and the Italians) took 5 years to do as much!

But who will aid Dassault-Breguet in the 6 billion franc investment needed to complete the program for developing the airplane (not to mention the purchase of equipment)? Here again Mr Vallieres shows firm confidence. "The 4000 meets a need," he assures. "It is the most successful of all the aircraft we have built. It is the only one competing with the American F-14, F-15 and F-18." Saudi Arabia and Iraq are interested in it. And, within the French Air Force, many officers consider it much more appealing than the Mirage 2000. However, it appears that the project could take a long time to get underway.

With nationalization and uncertainties about the new programs, the salaried-staff of the group are far from sharing the optimism of their leaders on the medium-term prospects. And, as always happens in these cases, they are trying to hold on to what they have already achieved. The government as shareholders is going to have to take this into account.

Ever since nationalization was announced, an association to defend personnel was formed. It has 2,000 members, many of whom hold Dassault stock (another reason for the government to avoid upsetting the stock market at the Paris Exchange). Its head is Jacques-Philippe Morel, an engineer at the Saint-Cloud procedures office. The group, which claims to be apolitical, wants to influence the future direction of the company.

The top priority is to fight any attempt by Aerospatiale to absorb the company. At Toulouse-Blagnac, for instance, where the two groups have neighboring factories, Dassault's employees do not hide their concern at the prospects for uniting their company with Aerospatiale. They have two demands:

1. To maintain the benefits already gained, i.e., a Christmas bonus, profit sharing (about one month's salary), return of the distributed shares to the entire staff (between four and fourteen shares, according to the salary), and for management, an "envelope" at the end of May;
2. To preserve the extremely decentralized structure of the group. "As long as the boss and Mr Vallieres are there, we are not worried in the least," assured an office director in the Saint-Cloud research offices. "But what will happen after that?"



After that, the government will have to appoint a new president and reconsider the entire matter. It will have to draw up an inventory of the projects currently on the drawing boards, and once again take up the problem of relations with Aero-spatiale. Can Dassault withstand that American technological offensive alone? After the exchange of "gifts" of October 1981, it is time to come to an exchange of truths.

### "Cordial Negotiations"

An interview with Georges Lemoine, state secretary in the office of the minister of defense.

Georges Lemoine, 47 years of age, conducted that main part of the negotiations between the government and Mr Dassault and Mr Benouville. He was interviewed by LE NOUVEL ECONOMISTE.

[Question] The government has nationalized 100 percent of groups with no government dealings and only 51 percent of the two arms companies the most directly in contact with the government. Why this preferential system?

[Answer] For Dassault and for Matra, we have tried to find a way to control the operations which are highly dependent on budget appropriations without in so doing threatening the industrial entities. That's how we arrived at this necessary but adequate level. But the figures were on our side. We were in a good position to know the size of the profits of Matra's arms branch. And during our discussions with Mr Dassault, we know almost as well as he did that a good part of his fortune was built from government orders.

[Question] What was the atmosphere during the negotiations?

[Answer] Tense on some days, but always courteous and even cordial. Dassault had a number of different negotiators. First in July, there were Mr Vallieres and Mr Edelstenne, president and secretary-general of the aircraft company, respectively. With them we had to define the principles to follow. Then we dealt with Marcel Dassault himself, who assisted General Benouville. Out of courtesy to Mr Dassault and because of his age, all the working meetings were held at the Rond-Point des Champs-Elysees.

[Question] Did your working meetings with Mr Dassault change your opinion of him?

[Answer] I discovered two different persons in him. There was the business leader who is trying to make a profit, and there was the head of a family concerned with sound investments. This exceptional man was able to both build planes and companies, making them evolve at the proper times. It was a noble gesture on his part to donate 26 percent of his company's capital. For his part, I think he was very impressed by our idea to establish a foundation that will bear his name and will promote the career of young aviation engineers.

[Question] In your opinion, should the nationalized French aviation industry keep two large aircraft companies?

[Answer] I will answer personally, that to me it is desirable that each research office maintain its independence during the coming years.

[Question] Is there any possibility that the Mirage 4000 will be mass produced one day?

[Answer] The aerodynamics of the Mirage 4000 should enable it to remain in the forefront for years. In future, the improvement of fighter plans is going to focus primarily on their ability to hit several targets and not just one. This essentially involves radar and arms systems.

Dassault-Breguet's Key Figures

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
<u>Personnel</u>	14,980	14,819	15,183	15,553	15,843
<u>Turnover*</u>	5,928	5,697	6,321	7,123	10,740
Percentage for export	77	75	76	74	70
<u>Net Profits*</u>	170.7	207.9	245.5	272.2	312.3
Percentage of turnover	2.9	3.6	3.9	3.8	2.9
Percentage of equity	19.1	20.3	16.3	17.4	18.5
<u>Orders received</u>	7.2	12.5	10.5	13.7	9.1
Percentages for export	64	87	68	79	54

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\*In millions of francs

9805

CSO: 3100/95



## 'NEO-LIBERALISM' IN NORWAY AND SWEDEN DISCUSSED

Oslo AFTENPOSTEN in Norwegian 31 Oct 81 p 3

[Commentary by Egil Sundar: "The Conservative Wave Will Liberate Strength"]

[Text] The need for ideological renewal in several of the Western world's most advanced welfare societies has in a remarkably short time resulted in a popular movement--a liberal revolt directed against the collectivist guardianship thinking. Like any beloved child, this movement goes under many names, and its ideological content varies from place to place. To take an example close at hand, the Norwegian "conservative wave" cannot without reservations be compared to Swedish neo-liberalism. While the former is characterized and carried forward by soft social undertones, the neo-liberal thinking among groups in the [Swedish] Conservative Party shows a somewhat harder profile--stamped as it is by the market economy as the predominant idea.

It is hardly possible to define precisely the concept of the "conservative wave." It is too complex. This, however, may be another reason for analyzing more thoroughly the reasons why people all over the Western world advance viewpoints and assessments that only 10 years ago were usually regarded as reactionary, or at least poorly adjusted to the demands of the modern human being. It is noteworthy that so few active politicians and political parties have attempted to discover what really has happened. What can the reason be for so many people in so many countries having changed attitudes long regarded as inevitable, and which, in both Sweden and Norway, for example, amounted to a guarantee of a kind of everlasting social democratic rule?

Sociological changes accompanying modern social development have of course played a large role. As is known, society is not what it once was--nor are the voters. A new type of human being is making his appearance at the voting booth. The Labor Party has lost the battle for the young and the white collar workers. And not only that: Einar Forde, Labor Party vice chairman and foremost ideologue, touches upon something very essential when he acknowledges that his party can no longer expect help from background and milieu and in the dominance the party has enjoyed in large sectors of our work force.

Gosta Bohman, since 1970 leader of the Swedish Moderata Samlings-parti [Conservative Party], who at the national congress last weekend turned the chairmanship over to Ulf Adelsohn, has been the driving force in the debate on political ideas in Sweden. The results of his thorough and clear-sighted analyses of social developments and

of changes in peoples' attitudes toward perceived and sanctioned truths are now being presented in the book "Course Toward the Future," in which Bohman proclaims a renaissance of liberalism. A liberalism, be it noted, on the basis of the welfare state.

Bohman's message is an expression of the conservative wave, a movement he himself interprets as the reaction to or revolt against a social development that has led to too far-reaching collectivization, politization, and bureaucratization. A social development that has driven the tax pressure constantly higher and made it ever more difficult for the ordinary citizen to maintain the right to manage his own financial affairs. And because the public sector arrogates to itself more and more power, it limits also give people the opportunity to influence the nonmaterial side of their existence. They therefore seek a new community of values, a community on the level of the individual and the human level.

According to Bohman, quantity is not the most important thing to an increasing number of people. Quality is most important. And the concept of quality of life is not unequivocal. It can, for example, mean that it must be rewarding to work. I must get something back for my toil because this would give me the opportunity with a clear conscience to do things that give existence a deeper more meaningful content. I shall have greater opportunities freely to shape my existence without rules, controls and directions by others, be they individuals or authorities. In other words, I can give the concept of quality of life my own content.

The welfare state created a new concept: "The new insecurity." As the new leader of his party, Bohman began to talk about this as early as in the beginning of the 1970s. People felt insecure, he thought, because the collective security policy had proved able to lead to individual insecurity. Among the many who had believed that the development of welfare would provide the safety and security most people seek in life, everyday reality lead to increasing disappointment. Hopes and expectations were not met. In "the new insecurity" one also saw expressed considerable anxiety over developments in the schools, over lack of public security, over bureaucratic coldness, and over economic worries that grew as the taxation system increasingly limited freedom of action. In view of the economic crisis Bohman is convinced that now more than ever we need optimism, imagination, and creativity to make the wheels turn again. What we now need, he thinks, is liberalism in the true meaning of the word. As the realistic politician he is, Bohman does not of course deny the importance of public contributions to people of our times. No more than Kare Willoch does he wish to abolish the welfare state. In reality, the point of departure in liberal-conservative thinking is the reverse. Liberating forces, releasing the power of growth in the economy will create the economic growth necessary to safeguarding and further developing the welfare society. The goal is ability to guarantee the state benefits a socially secure society must have. Willoch's pure Conservative government is faced with the inspiring challenge of making a reality of a policy that in a new way will free economic and human resources. In the opinion of many, this is the only possible way to go if we are to be able to solve the tasks society will be faced with in the 1980's.

## HOPES FOR COALITION UNITY DASHED BY CONFLICT WITH UNIONS

Hamburg DER SPIEGEL in German 16 Nov 81 pp 19, 21-22

[Text] After weeks of bitter dispute over the budget, over measures to relieve unemployment and austerity measures, the coalition parties seem to be ready for an attempt at reaching agreement. But all the conciliatory words are deceptive: The Social Democrats are under pressure from the trade unions, which are calling loudly for employment programs in light of rising unemployment figures. It appears that the big clash has merely been postponed.

Herbert Wehner, reelected for another 18 months as chairman of the SPD's parliamentary group in Bonn, and Wolfgang Mischnick, his Free Democrat colleague, got together for another try.

These two -- always on tap whenever the situation looked especially bad for the social-liberal coalition in Bonn -- playing their assigned roles and using noble phrases, last week made an appeal for unity.

Mischnick said in a statement for his party group's news service that parties and government, unions and employers must now place the welfare of all above the interests of a few. Said the Free Democrat: "We all need each other more than ever."

Herbert Wehner, normally a shrewish brawler in the Bonn parliament, evoked the "responsibility of each individual party toward the people at large in our divided fatherland" -- the Bonn coalition partners were showing a willingness to reconcile after weeks of embittered quarreling.

The liberals took turns declaring that they were quite prepared to compromise; employment programs, which had hitherto been strictly rejected by the Free Democrats, would be tolerated if they did not prove to be too large.

The Social Democrats soothed them with assurances that no one was considering big programs that would cost billions. And they all solemnly affirmed that the state and the government would be lost without social peace and without the support of the German trade unions.

An agitator from the southwest had been responsible for the mild mood in November. The demonstration against Bonn's policies by 70,000 working people the weekend before in Stuttgart — a parade drummed up by Franz Steinkühler, district chairman of the IG Metall [Metalworkers Union] — served as a sudden reminder to the coalition of how easy it would be right now to topple Schmidt's weakened government.

Even early in the week it had looked — once again — like a breakup. Old wounds had been opened in Bonn by strong unionist words coming mainly from OeTV [Public Service, Transportation and Communications Union] chief Heinz Kluncker in addition to the Swabian metalworkers. Filled with concern "that the unions are going to break with us" (according to SPD Federal Business Manager Peter Glotz), the executive committee of the SPD group in parliament decided on Monday to revert to the employment programs that had been rejected by its coalition partner. Economics Minister Otto Graf Lambsdorff countered for the FDP by saying that "with me there won't be" any such program.

FDP General Secretary Guenter Verheugen gloomily summed up the situation this way at the beginning of the week: "The trains are racing along on a collision course."

A disturbed Hans-Dietrich Genscher, leader of the FDP, wanted to know from the chancellor at Wednesday's cabinet meeting what the recent chatter in the SPD parliamentary group concerning employment programs was all about. Schmidt mollified his vice-chancellor with these words: "Nothing has been decided."

Before the group turned its attention to the real topic of the session — policy regarding foreign nationals — the chancellor came right out with the compromise formula for the most recent dispute over the correct economic policy.

He said the government would have to take a position on unemployment in its annual economic report at the end of January. Schmidt told his ministers that he was open to suggestions on how "the foundations of growth and competitive ability" could be improved.

"But," added Schmidt — addressing this remark to his own party comrades — "they will have to be solidly financed, by reshuffling the budget as a rule." And he had this concluding note for the Free Democrats: "This has to be done without cutting into the supports that hold up the social welfare net."

Schmidt hopes to gain sufficient time by means of the adjournment until January. His colleagues in the SPD parliamentary group will be able to console themselves, the party's own grass roots and above all the unions with the idea that the government will not stand by and do nothing while unemployment possibly climbs to the level of 2 million jobseekers this winter. And the Free Democrats can spread the word that there is to be a continuation of existing economic policy, and that if an employment program should come after all at a later date, it would be financed by neither higher taxes nor new debts.

That same evening, when the chancellor met for 4 hours with union leaders, businessmen and politicians to discuss the plight of the republic, Schmidt once again reassured the representatives of the working man. He said that investment activity is crucial at this time. Equally important, however, is that the unions "not get into difficulties with their special concern over unemployment."



The first thing Schmidt said had to be done was to pass the '82 budget package. Once the annual economic report had been presented at the end of January, decisions would be made on further action.

The chancellor was papering over the truth with his strategy of appeasement. The government's economists will probably not be much more artful by the end of January than they are now, since the fact is that the Federal Republic is in the midst of a deep recession.

This much is certain: The ruling social-liberals do not intend to comply with demands by the unions and segments of the SPD for an "employment policy offensive" (in the words of Helmut Rohde, chairman of the SPD Working Group for Employee Affairs). Schmidt, Finance Minister Hans Matthoefer and Economics Minister Otto Graf Lambsdorff even consider costly government interventions harmful at the present time.

Government economists in the economics and finance ministries have been studying point by point the demands directed at Bonn by DGB chief Heinz Oskar Vetter.

According to Vetter's full-bodied assessment, the Bundesbank [central bank] should reduce interest rates, while employers should stabilize prices and hire 1 million of the unemployed. The state ought to help out with billions of DM, and the unions would support all of this with a moderate policy on wages.

The Bonn economists found this to be a rather abstruse program.

According to their analysis, if the Bundesbank were to reduce its prime rate precipitately, the dollar and other currencies might shoot up again because foreign investors would once again avoid the Federal Republic if possible. Imports — already contributing their 2-percent share to the 6.7-percent rate for price increases — would again become more expensive as a result of the weakness of the mark. Monetary depreciation, an important factor in the negotiation of wage increases, would be accelerated just as the next round of collective bargaining was about to begin.

The idea that business could hire a million additional workers all of a sudden seems fairly utopian to the Bonn economists. Business profits have suffered a sharp decline as it is. Only 80 percent of capacity is being used on the average. The IFO Institute ascertained recently that wherever investments are being made at all, they are usually only for purposes of rationalization.

The economic strategists in Bonn consider Vetter's plan totally dubious when it comes to the economic injections demanded of Bonn.

Even if it were possible to come up with suitable investment projects quickly, despite opposition by the Laender, there is no money. The route that involves a larger debt is blocked — unless Bonn wanted to burden the capital market with still more borrowing and bring to a halt the reduction in interest rates that has just begun. Larger amounts could be scraped together through budget cuts right now probably only at the cost of breaking up the coalition.

So the experts view Vetter's offensive as more of a compulsory exercise aimed at his grumbling membership. At the meeting with the chancellor last Wednesday evening, the DGB chairman made no further mention of his proposal; he took a conciliatory tack instead. Without using the provocative phrase "employment program," Vetter called for joint action by the group: "All of us together must attempt to interrupt the process of growing unemployment."

This calm interlude is deceiving, of course. The higher the climb in unemployment figures, the more pressing the union and SPD people will become in their demands that Bonn do something.

In any event, the Stuttgart protest action cannot be explained away simply by saying that Franz Steinkuehler — who is seeking a seat on the board of IG Metall — is hankering to make a name for himself. Those in Bonn who are knowledgeable about the unions suspect they are slowly preparing for the change in administrations — with the IG Metall leading the way. A timely revolt against the social-liberal government will spare them an awkward and abrupt about-face if the Union should take over in the near future.

And finally, the theory goes, there is also party politics behind this. Steinkuehler, SPD deputy chairman in Baden-Wuerttemberg, is considered the representative of the group in the SPD which favors getting out of the coalition with the FDP.

Their argument is this: The longer the Social Democrats go on bending to the will of their liberal coalition partners, the greater the rift between the working man and the SPD will become.

Last week there were also many Free Democrats who recognized the threat posed to the Bonn alliance by such dropouts. They concede that they have expected a great deal of the unions of late.

Minister of Education Friedrich Hoelscher, FDP, now sees that "we have talked too loudly and too often about waiting periods." Interior Minister Carhart Baum has perceived a growing willingness in his party to take the unions' problems seriously — to include "overall psychological and social conditions" (Baum).

The social-liberals are planning a few small offerings to keep the unions quiet for now. For instance, Housing Minister Dieter Haack intends to charge all homeowners who built before 1960 under the social housing construction program higher interest rates on their government loans. The DM 3 billion in interest payments and early loan liquidations anticipated in 1982 is scheduled to be used to finance the 30,000 social housing units which the SPD parliamentary group has been demanding for a long time.

Post and Telecommunications Minister Kurt Gscheidle also has something. In the next few days he plans to talk with Finance Minister Matthoefer about boosting the labor force in the postal sector. The SPD group in parliament wants to hire about 6,000 new postal workers. This would of course eat up part of the fee increase that has already been decided — with the danger that another one would have to be imposed in, of all times, the 1984 election year.



As it is, there is still doubt about whether such trifles will be enough to keep the unions quiet. Many in Bonn fear that the big clash is virtually unavoidable: With his empty promises with respect to the date of publication of the annual economic report at the end of January, Helmut Schmidt has gained exactly  $2\frac{1}{2}$  months.

Herbert Wehner perceives that the traditionally good relationship between the SPD and the trade unions "is in jeopardy."

The peace achieved on Wednesday in the Bonn coalition lasted precisely 2 days. Then Wehner and Hans-Dietrich Genscher went at each other publicly over future economic policy.

In a newspaper article Genscher urgently warned against new demands for an employment program. Wehner, on the other hand, announced last Friday that the SPD would "come out with an employment program at the proper time" because it is "unavoidable."

7458

CSO: 3103/112

PAPER: SOVIET SUBMARINE SANK GREAT HOPES

Helsinki HELSINGIN SANOMAT in Finnish 7 Nov 81 p 2

[Editorial: "Vessel 137 Sank Great Hopes"]

[Text] Every country carries out activities which it itself considers to be reconnaissance, but which in the opinion of another country is espionage. The more important the strategic significance of an area, the more prevalent are reconnaissance and espionage activities. And the larger the country, the more active and bolder are its reconnaissance and espionage activities. All means are permissible, and there are few rules: one must not be caught -- and if one is caught, even obvious facts are to be denied.

Accidents will always happen, just from statistical probability alone. Thus the incident involving the submarine in the waters just in front of Karlskrona is in itself no surprise. However, what is a startling surprise is that submarines equipped with nuclear weapons are used in routine reconnaissance activities and in waters that are difficult to navigate.

The measuring of radiation is relatively simple. Thus there is no reason to doubt Swedish information that there was a nuclear charge equal to the atom bomb dropped on Hiroshima in the Soviet submarine which grounded itself on the rocks. Moreover, the Soviet Union seems to indirectly confirm this Swedish information in officially announcing that the submarine was equipped with "pertinent armaments and necessary projectiles". Experts have differing opinions on whether the "necessary projectiles" are torpedoes with nuclear warheads or nuclear mines.

Until now it has been assumed that there are no other nuclear weapons in the Baltic Sea except for the Soviet Golf-submarines' nuclear missiles, whose range is approximately 1,200 kilometers. However, the situation is apparently much more gloomy. As far as is known, the Soviet Union has 50 some whiskey V-class submarines of the type that struck ground in the waters off Karlskrona. They are namely submarines designed for shallow waters and not the open seas so that the majority of them is probably in the Baltic Sea.

10576

CSO: 3107/23

## PARLIAMENT ACTS TO PREVENT PRESIDENT-VOTE TIE

Helsinki HELSINGIN SANOMAT in Finnish 4 Nov 81 p 3

[Article: "There Will Be 301 Members of Electoral College in January"]

[Text] The number of members in the electoral college will be increased by one or from 300 to 301. This reform will have been accomplished already in the next presidential elections in January of next year.

The Diet's Committee on Constitutional Law unanimously approved this change on Tuesday when the reform also was approved in a second debate of this issue at a full session of the Diet.

Changing the number of members in the electoral college surprisingly caused difficulties with respect to interpretation which seemed to threaten the urgent schedule placed on the enactment of the bill. However, the law will now be enacted in time on Friday of next week.

The Committee on Constitutional Law took a cautious stand with respect to the interpretation controversy and changed only the point concerning the number of members in the electoral college. With this move the committee wanted to emphasize that there was no attempt to make any other changes as a result of the government's proposal.

The Diet's debate on the reform was lengthy. Everyone was of the same opinion with respect to increasing the number of members of the electoral college, but the small opposition parties in particular wanted even other reforms, a direct referendum and a limit on presidential terms.

10576

CSO: 3107/23

## KEKKONEN CABLES BREZHNEV TO OFFER REASSURANCE ON RELATIONS

Helsinki HELSINGIN SANOMAT in Finnish 8 Nov 81 p 8

[Article: "Cable From Kekkonen to Brezhnev: Cooperation Will Not Be Eroded"]

[Text] President Urho Kekkonen has sent a personal cable to Soviet President and Party Chairman Leonid Brezhnev. In the cable Kekkonen thanked him for the message he received and offered an assurance that international political winds will not be able to erode the friendship and cooperation between Finland and the Soviet Union.

In the cable Kekkonen also sends congratulations on the occasion of the anniversary of the October Revolution. Kekkonen's cable is as follows:

"I would like to express my heartfelt appreciation and gratitude to you, Honorable Chairman, for the greetings which moved me so deeply. Our numerous meetings and discussions marked by deep mutual trust and in connection with which I have come to appreciate your faithfulness to the cause of peace and to a policy of good neighborly relations remain in my mind.

"My thoughts at this time, after having resigned the office of the President of the Finnish Republic because of poor health, are concentrated on one of the most important areas of my life's work, Finnish and Soviet relations. I feel great satisfaction as a result of the fact that I have personally been able to participate in building the cornerstone of mutual relations between our countries, the Friendship, Cooperation, and Mutual Aid Agreement of 1948. Through mutual efforts friendship between our countries' leaders and peoples and cooperation in keeping with the basic interests of both parties, which the fluctuating winds of international politics are not able to erode, were created on the strong foundation of this agreement. I join you in your conviction that relations between Finland and the Soviet Union will continue to develop on the basis of friendship and cooperation in the interest of the peoples of both countries.

"On the occasion of the 64th anniversary of the Great October Socialist Revolution and this national holiday of the Soviet Union I extend my best wishes to you, Honorable Chairman, for success and prosperity. Through you I also want to send my greetings to the people of the fraternal country of the Soviet Union and wish them continued success and prosperity in their peaceful endeavors."

Also A Cable From Koivisto to Brezhnev

Prime Minister Mauno Koivisto, who is performing the duties of the president, also sent a congratulatory cable on the occasion of the anniversary of the revolution to President Brezhnev. Other cables in connection with the anniversary of the revolution were also sent from Finland: Chairman Johannes Virolainen sent greetings to the chairmen of the Supreme Soviet, Deputy Prime Minister Eino Uusitalo sent greetings to Prime Minister Nikolay Tikhonov, and Foreign Minister Paavo Vayrynen sent greetings to Andrey Gromyko.

In his cable Koivisto assured Brezhnev "that Finland, for its part, will continue to guard and further develop that policy of friendship and good neighborly relations which has been built over the decades in the relations between Finland and the Soviet Union through the joint efforts of the leaders and peoples of both our countries".

Uusitalo's cable stated that "the Finnish Government is profoundly convinced that the friendship and cooperation built over the decades between our countries will be able to withstand the challenges of the future".

Virolainen's and Vayrynen's cables were written in the same spirit as Kekkonen's, Koivisto's, and Uusitalo's cables.

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CSO: 3107/23



## POLL SHOWS INCREASED CONCERN OVER WAR THREAT

Helsinki HELSINGIN SANOMAT in Finnish 8 Nov 81 p 11

[Article: "Opinions on World Situation More Pessimistic: Three-Fourths Believes Threat of Major War Has Increased"]

[Text] Nearly three-fourths of Finland's citizens believes that the danger of a major world war has increased in recent times. A full 30 percent of our citizens is of the opinion that the danger has "clearly increased". This result was measured in a poll conducted by HS [HELSINGIN SANOMAT]-Gallup in September-October.

Finnish Gallup conducted this poll at the request of HELSINGIN SANOMAT. Opinions on the international situation and security were polled with the same questions as in the fall of 1980.

The results were now pretty much the same as in the earlier poll, but this time opinions exhibited somewhat of a more pessimistic trend.

The most apparent change was reflected in the fact that the proportion of those who see the danger of a major war as having "clearly increased" had increased from 25 percent to 30 percent.

The proportion of those who believe the threat of war has "increased somewhat" was now 43 percent while a year ago it was 47 percent.

The figures together reflect the fact that 73 percent of Finnish citizens considers that the danger of a major war has increased. The figure in 1980 was nearly the same, 72 percent.

In both polls 19 percent considered that the situation has remained stable and 6 percent in both instances believed that the danger had decreased.

The real change that took place in the poll was that the worst alternative -- "the danger of a major war has clearly increased" -- was now selected by a slightly greater number of Finns.

## Slight Difference in What Is Understood by Danger of War

The opinion regarding the danger of war was measured by the following question:

"If you consider the present world situation, then how do you look at recent developments -- developments that have taken place in approximately the last 12 months -- from the point of view of a possible major war?"

The results do not reflect significant differences in the opinions of the various age groups. Among those over 65 years of age a slightly smaller percentage considered that the danger of a war has increased. It would also seem that among the constituencies of the nonsocialist parties a slightly smaller percentage than in the leftwing parties considered that the danger of war has increased. The differences are, however, small, around 4--5 percentage points.

#### "Nordic Situation Remains Unchanged"

Even though the threat of war was seen as having generally increased, faith in peaceful conditions in the Nordic area seem to remain fairly strong as it was in 1980 also.

In this respect opinions were solicited by the following question: "And what about the situation in the Nordic area? In what direction do you consider development is going?"

Among the respondents 11 percent considered that development is taking place in a peaceful direction. Last year 10 percent was of this opinion.

Sixty percent (63 percent in 1980) considered the situation to be unchanged and 27 percent (25 percent last year) considered that development had taken a turn for the worse.

The differences that appeared were so small that they hardly reflect any essential change in public opinion.

On the other hand, in a comparison of social groups several more significant observations arise: among white-collar workers one-fifth (23 percent) considered that we are headed toward less peaceful conditions in the Nordic area. Among blue-collar workers this understanding is held by 30 percent and among farmers 34 percent feels this way.

In a comparison of political parties the Christian League had the largest percentage of members -- 40 percent -- who believe that conditions are becoming less peaceful. The figure in the SKDL [Finnish Peoples Democratic League] was nearly the same (36 percent).

The most optimistic feelings were held in the constituencies of the Liberal Party and the Conservative Party. In those parties only 19--20 percent considered that the situation is developing in the direction of less peaceful conditions in the Nordic area.

#### "Near East Is An Area of Threat"

The following question was also asked in the poll: "If you consider the world situation from the point of view of a possible outbreak of war, do you have in mind

any specific geopolitical areas which are particularly subject to the threat of war? If so, which area?"

Three-fourths of the respondents was of the opinion that such areas do exist and the largest number of them, more than half, saw a threat in the Near East.

In the answers the so-called oil countries, the situation in Iraq and Iran, as well as Israel came up in one form or another.

Poland, which was considered a sensitive area by 18 percent, seemed to be in second place. Also 6 percent brought up the "central European situation" in general. The same proportion of respondents considered the Soviet Union to be an area subject to the threat of war.

Partially overlapping with the previous groups a number of respondents (15 percent) considered that Europe in general is an area subject to the threat of war.

Even though it would be quite difficult to form unambiguous groups from the answers given, it still seemed that a greater number of the higher educated considered the Near East to be subject to the threat of war.

Farmers, in particular, considered the situation in Poland to be critical. Among them a full 30 percent mentioned Poland while the percentage in other population groups was 15-20 percent.

A few respondents (4 percent) even considered the situation in Finland as subject to the threat of war. In this respect 10 percent considered the Nordic countries in general to be subject to the threat of war.

#### Poll Was Conducted in September-October

The above-mentioned results were obtained in a poll which was conducted in the interval between 23 September and 6 October.

A total of 1,578 individuals from 101 communities were interviewed. The sampling was compiled in such a way that it was the best possible reflection of the voting age population in Finland.

From the results of the same poll the so-called presidential section, in which the public's preferences in the presidential race were recorded, was published on 18 October 1981 in HELSINGIN SANOMAT.

#### Opinions Regarding International Security Figures in percentages

<u>Threat of a major war has</u>	1980	1981
clearly decreased	1	1
decreased somewhat	5	5
situation has remained the same*	19	19
increased somewhat	47	43
clearly increased	25	30
do not know	4	2

\*In the previous poll in 1980 the the word "stable" was used instead of "same".

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## NON-PARTY GROUPS GAIN IN UNIVERSITY ELECTIONS

Helsinki HELSINGIN SANOMAT in Finnish 4 Nov 81 p 10, 5 Nov 81 p 13

[Article: "Nonaffiliated Win in University Elections"]

[Text] Compared to the last elections voting activity fell off slightly in the student body elections of various universities held on Tuesday. According to preliminary information less than 40 percent of the students came out to vote.

As was predicted during the nomination of candidates, the politically nonaffiliated increased their support and the political groups lost positions across the board. The nonaffiliated increased the number of their positions by approximately half compared with the last elections.

The counting of votes in the Helsinki University Student Union continued into the night.

## Commercial College: Conservatives Lost

In the Commercial College the bourgeois factions lost three positions and the non-affiliated gained two positions. However, the Conservative Party is still overwhelmingly the largest faction in the body of representatives.

The leftwing of the nonaffiliated, Christian League members, and the rightwing of the the nonaffiliated each received one position. The People's Democrats and the Communists did not put up any candidates at all so that they lost two positions. The Center Party retained its two positions.

The percentage of those voting at the Commercial College was now 33.1 percent, 2 years ago it was 38.4 percent. The number of those entitled to the vote was 3,800; of this number 1,256 voted.

After an absence the Communists in the Svenska social- och kommunalhögskola returned to the body of representatives as their own faction and won five seats. In the last election they were included with the "others". The Social Democrats lost one place, Mitten [Swedish Language Center Faction] gained one additional position, and the independent groups lost five positions primarily because of the change of tactics by the Communists. Among the other groups positions are now held by two factions: the Elevvarels and the F-line advocates.

The percentage of those voting in this small college was now 59.8, while in the last elections it was 67.4. Of the 341 eligible to vote, 204 voted.

#### Nonaffiliated Gained for the First Time in Oulu

The leftwing lost one position in the student body elections of Oulu University. The affiliated or nonaffiliated leftwing factions received 10 positions and the others received 26 positions.

The fate of one position contested between the Conservative Party and Christian League was still being disputed in the evening. The "Tuhatkunta" faction of the Conservative Party had 10 positive positions and the Christian League two. In the previous elections the Conservative Party held this 11th position. The Christian League had the same two positions before.

The Center Party retained its 10 positions. As a new faction the nonaffiliated group pushed through three representatives. Two of them replaced Liberals who did not participate in these elections and one of them defeated a Social Democratic candidate. The Social Democrats received three positions.

The third largest group is the nonaffiliated leftwing, which received a total of seven positions in the student body elections in Oulu.

The percentage of those voting in Oulu and Kajaani was 32.4.

#### Subject Organizations Involved in Tampere

There was a slight movement in a nonpolitical direction in the student body elections of Tampere University. Coming in as a completely new participant was the Alternative Democratic Election League, which received five positions and is primarily composed of subject organizations. The People's Democrats and the Communists lost the most or four positions, and the Center Party lost one, while, on the other hand, the bourgeois factions gained one additional position.

The percentage of those voting was 42.3, which is generally the same as in the previous elections.

Results: the nuclear war opposition group, Tyyri, and the nonaffiliated, which are primarily made up of People's Democrats and Communists, 11 positions. The bourgeois factions, the free boomars, and the Christian League together, 14 positions (the distribution of positions was as follows: bourgeois factions 11, free boomars two, and Christian League one), Social Democrats six positions, the Alternative Democratic Election League received five positions, and the Center Party four positions.

#### Lappeenranta: Rightwing Won

The Center Party and the Communists did not put up any candidates in the elections of the Lappeenranta Technical College. Bourgeois groups in the student body continued to strengthen their position. The Conservative Party now has 17 positions or an unconditional majority while the rightwing technical students received two new positions.



The independents and the solidarity faction aligned themselves with the rightwing technical students. The independents dropped the number of their positions from five to three and solidarity received one position.

The Social Democrats increased their positions from four to five and the Liberals gained another position in the body of representatives.

The percentage of Lappeenranta Technical College students voting was 61. Third and fourth year students were the most active in the elections.

#### Elections for the Second Time in Lapland

In Lapland the percentage of those voting in the second election remained rather high although it dropped from last year's 84.8 percent to 70.5. The number of pedagogic students in the new body of representatives is now seven and the number of students of jurisprudence is 13. Those entitled to vote number 460, of whom 324 voted.

The Communists and the People's Democrats lost one position, the Social Democrats retained their three positions, the bourgeois factions gained one additional position, and the Center lost one. One nonaffiliated representative was elected as a new member to the body of representatives.

The bourgeois factions received 38 percent of the votes, the Center 24 percent, the People's Democrats and Communists nearly 17 percent, and the Social Democrats more than 16 percent. The nonaffiliated accumulated 5 percent of the votes.

#### Enthusiasm Was Weakest in Jyväskylä

The percentage of those voting in the student body elections of Jyväskylä University was extremely low, 19.67 percent. The elections did not bring about any great changes. The Conservative Party's Tuhatkunta faction obtained 10 positions as before, Jyväskylä Center Students seven (-1), Jyväskylä Socialist Students eight positions as before, Jyväskylä Social Democratic Students three (-3), Christian League four (+1), Jyväskylä Liberal Students one as before. In addition to this, the "Riidan-  
kylvajat" [Cultivators of Conflict] received five positions and the Honka League two positions.

#### Parties Lost in Vaasa

Project-81, an election league of the nonaffiliated, advertised its candidates at Vaasa College as "living for the student body" and gained seven positions in the student body elections. Also a new student group called Kielenkaantajat [Translators] won two positions.

All those groups with party affiliations experienced losses. Of the 30 positions available the Conservative Party snapped up the majority, more than half.

The Conservatives won 16 positions (-1), the Social Democrats three positions (-2), Center Party students two positions (-2), and the nonaffiliated nine positions (+8).

The nonaffiliated rightwing, which also participated in the last elections, received

two positions at that time as well as the Liberals and the Christian League. Now all of these were absent. Instead students who labelled themselves "average people's democrats" ran as a new entity.

#### Situation Remains Unchanged for Social Democrats in Turku

The nonaffiliated factions won and the party affiliated lost in the Turku University Student Body (TYU) elections. The only party to retain its previous number of positions was the Social Democratic Party. The People's Democrats lost the most.

#### Conservative Party Held Its Own in Joensuu

The nonaffiliated received two additional positions in the student body elections of Joensuu College. Losses were experienced by the Christian League, which did not put up any candidates, and the by the Center Party.

In Joensuu voter activism was of the same degree as in the previous elections, 40.8 percent. Of the 2,704 students eligible to vote 1,104 voted.

The Conservative Party retained its position as the largest faction with nine seats. The Center Party and the Election League of Peace and Progress both received five representative positions. The Social Democrats have three representatives. The Election League of Peace and Progress in practice represents the Sol [Communists], but is found in the group of "others".

#### Tampere Technical College Body (TTKY) Became Nonpolitical

The representation of Tampere Technical College became nonpolitical. All the political parties lost.

The five positions previously held by the Communists were not defended by one single candidate. Indeed the new living political association, which received eight positions and which calls itself nonaffiliated, includes people from Taistoites to the Conservative Party. The bourgeois front also lost just as many positions and the Social Democrats as well as the Center Party suffered losses.

Voter enthusiasm was down slightly or 48.2 percent.

Results: bourgeois technical students 12 positions, acting technical students (non-affiliated) nine, the living political association (nonaffiliated) eight, Social Democrats two, Center Party two, and the technical student plebeians (nonaffiliated) two positions.

#### Positions for Nonaffiliated in Turku Commercial College Student Body (TUKY)

The nonaffiliated won the most or two positions in the student body elections of Turku Commercial College. Correspondingly two positions were lost by the bourgeois faction (TuKaPo), which still overwhelmingly remained the largest faction with 15 positions.

The leftwing primarily classified as Social Democrats won one position and correspondingly the TuKe, which belongs to the Center Party, lost one position. The

percentage of people voting increased from last year's 52.7 percent to 57.7 percent. More than 80 percent of the first, second, and third year students voted.

The nonaffiliated, who won the most positions in the elections, presented themselves as candidates for the first time last year when they immediately obtained three positions. This year five of the eight nonaffiliated candidates won and they increased the number of their votes by 10 percent or the same amount by which the Conservatives lost.

Of the 1,180 student entitled to vote in the commercial college 677 voted. Distribution of positions: TuKaPo (bourgeois faction) 15 (-2), nonaffiliated five (+2), the leftwing group three (+1), and TuKe (Center) two (-1).

YLIOPIILASKUNTIEN EDUSTAJISTOJEN PAIKKAJAKO

	Sol ja Koj	Sonk	Sit.vas.	Lol	Kol	Mitt.	Kok	Krist.	Pkp	Sit.oik.	Muut	Yhteensä
HYY, Helsinki	9 16	8 7	2	1 2	7 9	2 2	15 19	2 4	1 1	2	11	60
JKY, Joensuu		3 3			5 6		9 9	1			8 6	25
JYY, Jyväskylä	8 8	3 6		1 1	7 8		10 10	4 3			7 4	40
KY, Helsinki	2	2 2	1		2 2		16 19	1		1	7 5	30
LAKY, Rovaniemi	3 4	3 3			5 6		8 7				1	20
LTKY, Lappeenranta	2	5 4		2 1	1		20 15			1 5	3 3	31
OYY, Oulu	7	3 4	7	2	10 10		11 11	2 2			3	36
SSKH, Helsinki	5	1 2				8 7					7 12	21
TAMY, Tampere	11 15	6 6		1	4 4		11 11	1 1		2 1	5 1	40
TTKY, Tampere	5	2 4			2 5		12 17				19 4	35
TUKY, Turku		3 2			2 3		15 17				5 3	25
TYY, Turku	10 13	4 4	2		3 4		13 14	1 2		2 4	6	41
VKY, Vaasa		3 5			2 4		16 17	1		2	9 1	30
Yhteensä	46 72	46 52	12	4 7	49 62	10 9	157 166	11 14	1 1	8 12	91 39	434

#### Distribution of Student Body Representatives

Adjusted new positions are found in the left hand columns of the table. The situation between the Social Democrats and the Center Party is still being contested in the HYY [Helsinki University Student Union]; the fate of the eighth position will be resolved today. The classification of the Finnish Student Union League was used in the grouping.

Key:

- HYY = Helsinki University Student Union
- JKY = Joensuu College Student Union
- JYY = Jyväskylä University Student Union
- KY = Helsinki Commercial College Student Union

LAKY = Lapland College Student Union  
LTKY = Lappeenranta Technical College Student Union  
OYY = Oulu University Student Union  
SSKH = Studentkaren vid svenska social- och kommunalhögskolan  
TAMY = Tampere University Student Union  
TTKY = Tampere Technical College Student Union  
TUKY = Turku Commercial College Student Union  
TYY = Turku University Student Union  
VKY = Vaasa College Student Union  
Yhteensa = Total

Sol ja Koj = Communists and People's Democrats  
Sonk = Social Democrats  
Sit.vas. = nonaffiliated leftwing  
Lol = Liberals  
Kol = Center  
Mitt. = Swedish Language Center  
Kok = Conservatives, bourgeois  
Krist. = Christians  
Pkp = Constitutionalists, free rightwing  
Sit.oik. = nonaffiliated rightwing  
Muut = other groups operating under nonpolitical banners  
Yhteensa = Total

#### Nonpoliticals Gain 52 Additional Positions in Student Elections

Wednesday did not bring any changes to the results of the student elections held on Tuesday. The victory of the groups appearing under nonpolitical banners was clear: their positions increased from 39 to 91.

The Communists and the People's Democrats lost 26 positions, the Center Party lost 13 positions, the Conservatives 10 positions, the Social Democrats six positions, the nonaffiliated rightwing four positions, and the Liberals and Christians both lost three positions.

The nonaffiliated leftwing received 12 new positions and Mitten received one additional position.

The voting percentage remained under 40 or only 38.2 percent. Enthusiasm dropped off 4.5 percent from the previous elections.

#### Governing Body Will Not Be Created Easily

Helsinki University Student Body (HYY) First Secretary Timo Peltovuori (Social Democrat) predicts difficult negotiations with respect to creating a governing body for the remainder of the year since the basis will have to be completely reconsidered.

The nonaffiliated assault created a situation in which the present governing body does not have a majority. The nonpolitical groups received a total of 11 positions in the elections. Of these positions the common students who represent subject

organizations received five, the fraternities two, nonaffiliated Christians two, and foreign students one. Also the language students at Kouvola received one position.

The percentage of those voting at HYY was 40.5.

#### Technical Students Favored Conciliation Elections

Conciliation elections were favored more than before this year by technical students. At the technical institutions of Turku, Seinajoki, and Raahe representative positions were filled yesterday without a vote. Conciliation elections were held in Vaasa last week already. In Kuopio and Oulu positions were distributed over the last week.

In spite of the conciliation elections in Turku there were fewer candidates than positions so that the representative body had to be filled later. In Turku the nonaffiliated were left without any positions. The Conservatives received three positions less than last time in the distribution of positions and the Social Democrats increased the number of their positions by two.

In Raahe elections were held for the first time. Five nonaffiliated candidates filled the positions of the representative body.

Regular elections were now held in seven technical schools in Forssa, Kotka, Lappeenranta, Pori, Riihimäki, Tampere, and in Wartsila's Technical Institute in Joensuu. The percentage of people voting was higher than in the university elections as was the case before. In three schools a figure of more than 70 percent was reached.

#### Social Democrats Lost the Most

Among the political factions the Social Democrats, who did not put up candidates in all the schools, lost the most. Also the Communists failed to nominate candidates in some places. The Social Democrats lost a total of eight positions and the Communists five positions.

The Center and the nonaffiliated rightwing each received five positions more than in the previous elections and the Conservatives lost three positions. The most definite political change took place in Tampere where the Conservative Student Organization's Tuhatkunta faction won three new positions.

Otherwise the elections did not produce any surprises. Nonaffiliated candidates appeared in all the elections except for Tampere, but only the independent candidate in Pori declared himself to be in the leftwing camp. In the elections in Forssa all the candidates belonged to various nonaffiliated factions.

#### Seven Elections Remaining

In the technical institutions elections have not yet been held in Helsinki, Lahti, Kokkola, Jyväskylä, Mikkeli, Kuopio, and Oulu.



TEKNILLISTEN OPPILAITOSTEN OPPILASKUNTAVAALIT									
Oppilaitos	Sol ja Koj	Sonk	Sit.vas.	Lol	Kol	Kok	Sit.oik.	Muut	Yhteensä
Forssa								9 9	9 9
Joensuu	1 2	7 6		1	4 3	12 13		1	25 25
Kotka	3	5				11 11	14 11		25 30
Lappeenr.	1	2 3			4 3	7 7	3 2		16 16
Pori	6 5	6 7	1		6 5	11 13			30 30
Riihimäki		1					2 3	7 5	9 9
Seinäjoki								9 9	9 9
Tampere	7 8	7 7		3	1	20 17			35 35
Turku	5 5	9 7			1 1	16 19		3	31 35
Vaasa	1 1	1 4			7 6	8 8	4 2		
Yhteensä	20 25	32 40	1	1 3	23 18	85 88	23 18	30 27	21 21

#### Student Body Elections in the Technical Institutes

The Communists did not put up any candidates at all in the technical institutes of Kotka and Lappeenranta. The Social Democrats did not participate in the races in Kotka and Riihimäki.

#### Key:

Oppilaitos = Institute  
Sol ja Koj = Communists and People's Democrats  
Sonk = Social Democrats  
Sit.vas. = nonaffiliated leftwing  
Lol = Liberals  
Kol = Center  
Kok = Conservatives, bourgeois  
Sit.oik. = nonaffiliated rightwing  
Muut = other groups operating under nonpolitical banners  
Yhteensä = Total

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## INDEPENDENCE PARTY CONGRESS INCREASES SUPPORT FOR HALLGRIMSSON

## Prime Minister Airs Split

Reykjavik MORGUNBLADID in Icelandic 31 Oct 81 pp 16-17

[Excerpts] Jonas Haralz took the floor at the beginning of the party congress yesterday afternoon and gave a rundown of the tasks performed by the committee that has been working on a draft of the party congress platform. He said that this was the third time that he had been given this task, and he explained the main points of the draft platform before the congress.

Prime Minister and Deputy Chairman of the Independence Party, Gunnar Thoroddsen spoke next and devoted most of his address to responding to the speech by Geir Hallgrimsson at the inauguration ceremony of the congress yesterday.

At the beginning of his speech, Thoroddsen said that it had been a tradition at the Independence Party Congress to have the deputy chairman preside at the inauguration ceremony but that the leader of the party had decided not to do that this time.

"This is not a major thing; however, it shows the petty thinking that even those in high positions are capable of," said Thoroddsen.

The prime minister went on to say that a couple of weeks ago he had asked to be allotted time on the first day to report on the activities and policies of the government, but he had been refused.

Gunnar Thoroddsen said that Geir Hallgrimsson had made some good points in his speech, especially when he quoted others, such as Jon Thorlaksson. On the other hand, his speech was a constant attack on the people who had followed their convictions and did not settle for the lack of leadership and disintegration that had reigned in the country at the time.

Thoroddsen said that it had been both tasteless and abusive for the leader to make such a speech at the opening session.

"Although the party leader spoke at length about his willingness to make peace, I don't think many people thought his speech was conciliatory," said Dr Gunnar Thoroddsen. The prime minister said that 1½ years had passed since the party congress had agreed in February 1980 to look into every possibility for reconciliation; so far, however, the Independence Party leader has not moved a finger.

Thoroddsen then referred to the reconciliation talks last fall. They were supposed to be confidential, but the chairman had elected to bring them into the media. The only outcome of the talks was a request that the government resign, but the ministers stressed that attempts would be made to take joint stands on all major issues.

Gunnar Thoroddsen said that the problems of the Independence Party were many and complex, that they had not been created during the term of the present government and that it was naive and fanciful for Geir Hallgrimsson to make that assertion, as the problems had far deeper roots and had been brewing over a long period of time. They were connected not only with people and issues but with work habits as well. Thoroddsen said that the present leadership had driven many people away.

#### Electoral Defeat

"In the spring of 1978 the Independence Party suffered the biggest blow in its history when it lost its majority in Reykjavik. The present government did not exist at the time. In 1978, the party suffered one of its greatest defeats in the Althing election, losing every fifth member there. The present government did not exist then either," said Gunnar Thoroddsen.

He explained further what he considered to be the cause of the present problems facing the party. In this regard, he said that Styrmir Gunnarsson had received more votes in the primaries than Geir Hallgrimsson and that at a party meeting after the 1978 elections its members had decided to resort to tactics of retaliation against him, trying to push him out of every single Althing committee. These efforts were successful.

Then, a few members of the Althing party group wanted to oust Thoroddsen from the chairman's position, but in spite of their efforts and meetings, they were unsuccessful. However, a few Althing members had seen fit to return blank ballots during party Althing elections. A few days later, MORGUNBLADID published an article in which one of the people now running for the deputy chairman's position had said that Gunnar Thoroddsen was completely unfit for the job.

Thoroddsen said that the assertions by Geir Hallgrimsson in his opening speech, to the effect that the problems of the Independence Party would not be resolved until the present government resigned, were entirely wrong, because the problems had existed before the government was formed.

#### A Tough and Wealthy Group

He said that ever since the present chairman was assigned his position, a tough and wealthy group that is usually called the party property owners society, which has MORGUNBLADID and the party apparatus in its service, had usurped the power of the party.

When emotional Independence Party Althing members criticized the government, Gunnar, Fridjon and Palmi always felt that it was not the ministers of the

Progressive Party or the People's Alliance who were the party's main enemies. "And the leader of the Independence Party has not outgrown the role of a lieutenant for this group, instead of becoming a leader for the entire Independence Party and its followers," said Gunnar Thoroddsen.

Thoroddsen said that no other possibility for the formation of an Althing-based (coalition) government existed at the time the present government was formed. Discussions revealed that Althing representatives were opposed to the idea of dissolving the Althing and holding new elections. When inquiries were made as to whether to form another coalition government without dissolving the Althing, no answers were forthcoming.

Therefore, the solution is not to have the Independence Party's cabinet members resign. That would only lead to disorder, chaos and a lack of responsibility.

Thoroddsen explained the premises on which the present government was based. In this regard, he said that after 4 months of a leadership vacuum in the country, the functions of the Althing were below par, and the nation was on the verge of losing its patience. The chairman said in a speech that discussions on the formation of a government had lasted only 2 months by the time Thoroddsen formed his cabinet and that such discussions had often taken longer. "A comment like that indicates a strange lack of understanding of the responsibility that the Althing representatives and the leader of the biggest party in the country in particular bear in forming a government," Thoroddsen said. At that point the country had in fact been without a government for 4 months.

Thoroddsen said that he wanted to meet with the Althing party bloc after his discussions on the formation of a government had started. He would have proposed the participation of the Independence Party in the discussions, but this was rejected. That decision was a big mistake by the Althing group in his opinion.

#### Party Problems

Next, Thoroddsen talked about the party's problems and said: "Soon after the government was formed, I declared that in order to make peace and reach agreement within the party, I considered it a fitting idea to assign new people to the leadership, new people for chairman and deputy chairman. I immediately declared that I would not run again for deputy chairman, but the leader stubbornly refused to consider this possibility. Some people seem to look at the post of Independence Party chairman as a lifetime assignment, and some people say that it is harmful for the party to dismiss the chairman, regardless of how many votes he gets. I think there are others who have more foresight and wonder whether it isn't more detrimental to continue with a chairman who is unable to handle his job."

"In all countries with coalition governments, a change in the leadership of a party having problems is taken for granted. Party leadership is not a sacred right that a person possesses as long as his health and age allow.



"I think that after all the setbacks that the Independence Party has suffered, after losing its majority in Reykjavik, after having lost every fifth Althing representative, and after having lost the chance for a major victory in the Althing elections in 1979, the chairman should have resigned, as would have been customary in other countries with coalition governments, and he should have asked others to try their luck. Chairmen have been dismissed when they have not taken the initiative for change themselves in the first place.

"Now, it so happens that more than one of the party's district councils has agreed to urge the chairman to resign. The majority of the Independence Party's Althing representatives were of the opinion that a change in the chairman's post would be appropriate. Some of these people might have given up this idea since last winter and spring, however.

"Nevertheless, the idea of having new people try their luck is unacceptable. The present chairman argues that it will not make any difference if a new person comes along and that it is therefore unnecessary for him to resign. This is not a sound argument. It is clear that a new chairman would consider it his main duty to seek every possible way to resolve the party's problems, which is something that the present chairman hasn't done. New blood in these two posts would, of course, change the situation completely. Efforts would at least be made," said Thoroddsen.

#### Propaganda About Communist Hypocrisy

Thoroddsen then referred to what Geir Hallgrimsson had said about the communists, that they had been brought into the most prominent positions in government and given control over domestic issues. In this regard, Thoroddsen said that he did not remember ever having ruled out cooperation with another party. He cited the former chairman of the Independence Party, Olafur Thors, as saying that a coalition with the Socialist Party could be desirable under certain circumstances, the formation of the Nyskopunar [new beginning] administration and Thors' wishes in the fall of 1959 when the Vidreisn [renewal] administration was formed.

"It is considered a major crime for us to have formed a government with the People's Alliance, and the harshest attacks have come from the chairman and the party's mouthpiece, MORGUNBLADID. Much of his speech yesterday was about how terrible and barbaric these men were, adding that no contact should be made with them ever.

"In December 1979, Geir Hallgrimsson happened to be assigned the task of forming a government. First of all, he felt that he should form a national coalition government and was very obstinate about this. He considered possible what the rest of us considered doomed to failure in advance, inasmuch as the other parties did not want it and also because such a government would be unable to function.

Most Odd

"But although the chairman of the party used this as a pretext, all the Althing representatives knew that he was first of all trying to form a government with the Socialist Party. MORGUNBLADID started to lay the groundwork for this. The first person to get the ball rolling was Bjorn Bjanarson, a fine person and a foreign policy expert who has not been considered on friendly terms with the communists. He recommended that this route be explored. And then Styrmir Gunnarsson came along and wrote a historic article, which he called historic reconciliations, in which he insisted that this was the time for the Independence Party and the People's Alliance to form a government," said Thoroddsen, waving a photocopy of the article.

Thoroddsen said that it was unconscionable, as well as most odd, for people who demanded and encouraged a coalition with the People's Alliance in December 1979 and January 1980, to now attack the Independence Party cabinet members for working with the People's Alliance. "The only proper word for this is hypocrisy," Thoroddsen said, adding: "I am convinced that if the present government were to resign, and the chairman of the Independence Party given the authority to attempt to form a government for the fourth time, he and his colleagues at MORGUNBLADID would not hesitate to try a coalition with the People's Alliance, if possible."

#### Hallgrimsson Attacks 'Communist Influence'

Reykjavik MORGUNBLADID in Icelandic 31 Oct 81 p 32

[Text] "Members of the Independence Party! We will not be able to halt one of the most wideranging attempts by the communists in half a century to gain decisive influence in Icelandic society unless we stand together," said Geir Hallgrimsson, the chairman of the Independence Party, in the opening speech at the Independence Party Congress yesterday.

The chairman of the Independence Party was referring in particular to the influence that the People's Alliance has within the government, pointing out that the leaders of the People's Alliance were proud that the present government is more to the left than Olafur Johannesson's administration. Geir Hallgrimsson said that "for more than 50 years the communists and socialists have worked together in organized groups in Iceland; their influence has never been greater." The chairman of the Independence Party gave a rundown of the socialists' attempts in the past to gain complete control over Icelandic politics. He mentioned their attempt to gain power in Reykjavik in 1946, which was halted by a united Independence Party. He referred to their unsuccessful attempts to alter the country's foreign and defense policy in 1956-1958. He recalled that the leftist government in 1971-1974 had come as close as ever to breaking down the foreign and defense policies that the Independence Party had pursued but that this attempt had also been curbed by a united Independence Party and the initiative of brave individuals and idealists among the ranks of the alliance Varid Land [National Defense].

Hallgrimsson said that the People's Alliance held a key position in the ASI [Icelandic Federation of Labor], in the capital and on the Council of State. Furthermore, he said: "An undivided and united Independence Party is the only thing that can thwart the increasing influence of the socialists in our country and curb international communism from abroad."

#### Comments on Hallgrimsson Speech

Reykjavik MORGUNBLADID in Icelandic 31 Oct 81 p 20

[Editorial: "Geir Hallgrimsson's Challenge"]

[Text] No politician has been as bitterly attacked from all directions as Geir Hallgrimsson. Even leaders of the opposing parties have been embarrassed, saying that he has been slandered. There is only one way out for a politician who happens to be in that position, provided he does not want to yield to the pressure and give up, and that is to take care of unfinished business by explaining his own point of view with honesty and determination. Many a member of the Independence Party has thought that Geir Hallgrimsson has shown a great deal of patience in this regard, that he has not put his cards on the table and said: "Here is where I stand. For the chairman of the Independence Party, the party congress is the right place to do this, and after Geir Hallgrimsson's opening speech, no one can complain that he does not know what it means to be chairman. In his speech he answered the question: Why am I running for chairman of the Independence Party again? as follows:

"If this party congress declares support for the present government, I will not run because it is the duty of the chairman to respect the will of the party congress.

"If our problems were resolved by the resignation of the chairman, I would not run again because the chairman is the most important figure for the Independence Party and its ideology.

"But if the Independence Party is to display the strength that the nation requires, neither the party, nor its chairman, leadership or members can be defeated by stormy weather and yield to threats.

"The opponents of the party should know that the chairman of the Independence Party is not chosen to bend and break in times of adversity and to resign as they demand.

"Our opponents should know that the party's chairman is not appointed to circumvent its democratic rules and majority-based decisions and, thus, the wishes of the rank-and-file."

Geir Hallgrimsson could not have been more clear on this issue. He did not show any ambiguity either when he addressed the spokesmen of the present government within the Independence Party. The people attending the party

congress realize that neither the disarray on Independence Party policies nor the ideas about changing its organization are preventing Geir Hallgrímsson from reaching an agreement with the party's members of the cabinet. His analysis of the disarray is properly aimed at isolating the party from the policies and activities of the government. On the other hand, the members of the Independence Party, as well as the entire country, are waiting for the government loyalists' answer to the following question posed by Geir Hallgrímsson: "What are you prepared to do to unite all the members of the Independence Party at this congress?"

It is most important that the party congress not reflect the disintegration that its opponents have predicted and anticipated. Such disintegration would not only jeopardize the life of the party but all normal political activity in the country as well. The best weapon against a breakdown would be an informed awareness among the members of the Independence Party and on the part of the entire country, as to the attitudes of their leaders, an awareness on which they can base their opinions. Geir Hallgrímsson has defined his terms. He has firmly attributed the party's problems to the people who created them. He spoke on behalf of all members of the Independence Party when he said the following to the government loyalists: "We await your answer here at this congress."

#### Paper Comments an Internal Rift

Reykjavik MORGUNBLADID in Icelandic 1 Nov 81 p 24

[Editorial: "The Political Core"]

[Text] The Independence Party Congress shows how much energy the party has. In fact, it has so much that other political parties in the country can never keep pace with it. The Independence Party's great energy stems from people in all walks of life and from all over the country, who are as extensively educated as is possible for Icelanders. The party is now at a crossroads. When the government was formed, the party's inner structure and core were damaged. Most of the people who participated in the party congress and doubtless most people in the country want to eliminate this defective party structure, because the party is the core of political activity in the country, and as long as the party is having problems, disintegrating forces abound. Is it worth it to reduce inflation from 60 to 40 percent in 1 year and in so doing destroy the Independence Party?

When the struggle for the 200-mile economic zone was in full swing, and political relations with Great Britain had been cut off, many people in this country loudly criticized NATO, demanding a recall of our ambassador and even withdrawal from NATO if the British military vessels did not halt their aggression and leave Icelandic fishing grounds. Even people other than the traditional opponents of Icelandic independence and security, the communists, voiced this opinion. Geir Hallgrímsson was prime minister at the time, and Matthías Bjarnason was the fisheries minister. They did not yield to these demands, and Hallgrímsson asked people to be careful not to sacrifice major



interests for a minor one; even if the economic zone and its sovereignty were precious, the groundwork for the country's foreign policy, which had so far secured peace and freedom for it, could not be undermined.

This is a recent example, and the current situation is being evaluated at the congress of the Independence Party. From what Geir Hallgrimsson, the party chairman, and Olafur G. Einarsson, the Althing party leader, have said, it is clear that they consider the government, its formation, activities and policies to be the underlying cause of the discord within the Independence Party. The ministers do not agree on this. Gunnar Thoroddsen calls it "naive and fanciful" to evaluate things as Hallgrimsson and Einarsson have done. A question arises, however. When do ministers Gunnar Thoroddsen, Palmi Jonsson and Fridjon Thordarson think that enough has been done in connection with the conflict among the majority of the members of the Independence Party with regard to their positions in the government? For how long will they maintain that the problems of the Independence Party are everyone's fault but their own?

At the beginning of the congress Geir Hallgrimsson challenged the ministers to explain what they were prepared to do to make peace within the party. No reply has been forthcoming as these words went to press. Gunnar Thoroddsen asked in response to Hallgrimsson's question: "Do the people know what they are doing when they want reconciliation talks held on television and radio?" The congress reflected the underlying cause for the disarray within the Independence Party, and some steps were taken to bridge the gap. Geir Hallgrimsson asked in his opening speech what the government supporters planned to do at the municipal elections, to which Gunnar Thoroddsen replied: "The disagreement concerning the administration should not affect the municipal elections." It is up to the government loyalists to live up to this promise by the prime minister. Palmi Jonsson, the minister who has complained the most to other members of the Independence Party about disagreements over issues, said during the congress that the resolution before the congress was for the most part in keeping with the political goals that he had called for in the policies of the Independence Party. We should expect that Jonsson will now approach the people who, according to him, have drawn closer to him.

Gunnar Thoroddsen said: "Governments come and go, but policy remains." Everyone agrees with this. On the other hand, the question could be asked: But what about the Independence Party and the governments that come and go? Can the destruction of the Independence Party be justified in exchange for a 20 percent drop in inflation in 1 year, even though we would then be faced with no sensible solution for inflation? Wouldn't it be more realistic to assume that more progress could be made in the battle against inflation with a united Independence Party behind it? The congress of the Independence Party proves that the core of politics in the country lies within the party. Only by uniting the forces within the party that do not distinguish between the interests of the party and the interests of the country, is it possible to unite progressive forces in Iceland for major initiatives.

This has been so obvious during the half century that the party has been in existence that it should not have to be debated at its 24th Convention. The



attempt to govern the Icelandic nation by baiting and threatening the most powerful political force in the country is doomed to failure. No other Icelandic political party has the energy that the Independence Party has, even when it is not functioning up to par. No other political party is trusted as much by the people as the Independence Party. Those who plan to paralyze the party from within to gain approval and power from its enemies will have to answer for what they do.

#### Anti-Government Platform Favored

Reykjavik MORGUNBLADID in Icelandic 3 Nov 81 p 48

[Text] The basic platform of the 24th Congress of the Independence Party has been passed unanimously. A second platform plank, which outlines the Independence Party's stand on the present government, was passed by a vote of 700 to 237, with 32 blank or void ballots.

Plank II calls for "determined opposition to the government," challenging the ministers from the ranks of the Independence Party to resign from the cabinet and urging the Althing representatives of the party who have supported it so far to renounce their support. This resolution created a major dispute, and MORGUNBLADID comments on it on page 17 today.

The basic platform, which describes the party's general policy, states that "the Independence Party is the only political party that can give the nation the leadership it needs." Members and supporters of the Independence Party are urged to unite around national security, individual freedom and rights and a sound, free business climate, which is the precondition for well-being and cooperation among everyone in the future."

Plank II, which caused controversy, states, among other things, that "the policies and activities of the present government are at odds with the ideas of the Independence Party and bolster the power of those who are our staunchest opponents."

#### Text of Platform

Reykjavik MORGUNBLADID in Icelandic 3 Nov 81 p 29

[Text] The following is the basic platform of the Independence Party's 24th Congress. The participants of the congress passed it unanimously.

Ever since the Independence Party was founded 50 years ago, it has been the symbol of freedom and progress in the country. It has a broad, liberal and patriotic policy of reform based on free enterprise and individual freedom, with the interests of all classes and communities in mind. The party considers it a sine qua non for a healthy community to give individuals and their associations the freedom to operate and to enjoy the fruits of their labor. Furthermore, the party stresses the role of government in safeguarding the rules of the free enterprise system and in guaranteeing social assistance to protect them against contingencies. The party has been the vanguard in the nation's

progress towards national rights and it wants to safeguard the security that is essential for peace and freedom in the country.

Experience shows that the nation has thrived, progress has been more rapid and prosperity has increased most when the philosophy of the Independence Party has prevailed. When the opinions of other parties have taken the upperhand, and restrictions, taxes and all kinds of government interference have increased, the job market has quickly deteriorated and reform has declined. Moreover, the security of the country has been jeopardized due to the ambiguous attitude of these parties.

#### Grim Prospects in National Affairs

The prospects in national affairs are grim in this country as elsewhere in the world. Progress and prosperity have rapidly increased over the last few decades. Now, however, economic growth has declined; inflation has increased and there is great unemployment all over the world. By the same token, government efforts have intensified without much result.

We in Iceland are bearing the brunt of these changes in spite of the benefits of an increased fish quota due to the expansion of the economic zone and favorable market conditions. It is the duty of every political party to view its policy in the light of these new prospects. The Independence Party has been working on this. Two years ago the party published an economic policy plan, "Renewal in the Spirit of Free Enterprise." Following up on this, we now submit a detailed policy plan for employment, along with papers on other issues.

#### The Most Urgent Task Is to Stimulate the Job Market

The Independence Party feels our most urgent task is to bolster the job market in the country. If it fails to do so, the groundwork for progress and reform collapses, and an increased number of people will look for livelihood in other countries.

The working conditions of the employment sectors must be improved, and the effort and initiative of individuals and their associations must be encouraged. Business and trade restrictions must be dropped, and healthy competition allowed to prosper. Pricing and foreign exchange transactions must not be controlled. Public expenditures should be revised, and tasks transferred from the state to rural associations, firms and individuals. Individual and business taxes must also be lightened, and all the various employment sectors and firms should operate on an equal footing. The foreign exchange rate must take into account the needs of the employment sectors, and discipline must also be observed because of its effect on prices. Funds for price equalization must aim at their original purpose. Wage settlements must be the responsibility of those who participate in them and must be geared towards protecting the earning power of wage earners as well as employment sectors. A coordinated monetary and financial policy must be pursued. Terms for deposits and loans must provide sufficient incentive for savings so that funds are available where they are most needed. Hydroelectric and thermal energy must be utilized for strong industry. Decisions on new powerplants must be made soon in cooperation

with foreign firms, to the extent that they are profitable and as market conditions dictate.

#### Daily Wages Should Be Sufficient to Earn a Living

An increased growth rate and higher production are preconditions for Iceland to attain the goal of providing a job for every able-bodied person that yields sufficient income for moderate work hours. Daily wages should be sufficient to earn a living. The general development of the employment sectors and the improvement of living conditions should be encouraged in all parts of the country. In certain temporary difficulties, it is justified for the government to prevent firms from collapsing, thus depriving workers of their livelihood.

The party's policy is based on cooperation among the classes. In the field of employment the cooperation of employers and employees must be enhanced with the aim of increasing the responsibility of everyone involved in the job market. Obstacles to coordination and hard work must be removed, and the new demands of technology and computerization must be met. Job security must also be strengthened, and the eagerness to work encouraged by increased job training and rehabilitation, flexible working hours and improved working conditions.

A healthy lifestyle should be encouraged, and the family structure, which is based on Christian beliefs, should be strengthened. Everyone should be protected in case of poor health and in old age and should have an equal right to vacations and inflation-adjusted social security.

If the above employment and wage policy is successful in increasing production and stimulating the economy, conditions can be expected to improve. At the same time, employment can be secured, cultural activities encouraged and the environment improved. Furthermore, freedom and democracy will be able to thrive, and the unity of the nation reinforced in light of its precious heritage.

#### National Defense

The Independence Party has always maintained that the defense of the country must always be safeguarded in light of the circumstances in each time period. Those who advocate individual freedom and those who are against it are now struggling both internationally and domestically, as they have always done. The events in Poland reflect the desire of the people to cast off the yoke of socialism, and the invasion of Afghanistan confirms once again that the Soviet Union does not hesitate to use its power when it so pleases. The propaganda crusade that the Soviet Union has recently launched in Europe, especially in Scandinavia, has aroused the fear and gives us reason to warn people against submissiveness.

Unfortunately, it is a fact that Iceland's military importance has increased. The expansion of the Soviet Union continues, and its activities as well as those of Soviet aircraft are gaining momentum in the vicinity of Iceland. It is clear that the defense of the country can only be secured by continued participation in the peace system in the North Atlantic that Iceland helped create. A large majority of the country wants to continue participating in the joint defense of the democratic countries and to take the necessary measures so that we can

live in peace. The Independence Party will do its utmost to achieve unity on the defense issue. It does not think that present conditions allow for a reduction of defense activities that are going on in and around the country.

## National Policy

The prospects are grim at the international level, and the country faces major employment problems. The Independence Party is the only party that can give the country the leadership that it requires. Therefore, it is very urgent for the members and supporters of the Independence Party to unite in the struggle for the country's defense, freedom and individual rights, unrestricted and prosperous business activity and for the well-being and cooperation of all for the future. The Independence Party wants to make its policy a national policy for human rights, freedom and democracy.

## Plank II

The following is platform plank II of the Independence Party's 24th Congress, which outlines a stand towards the government. A secret ballot was taken on the plank at the congress; 700 representatives voted for it, 237 against, with 32 ballots blank and one void.

The Independence Party Congress feels that the policies and activities of the present government are at odds with the ideas of the Independence Party and bolster the influence of those who are the party's staunchest opponents. This has resulted in increasing difficulties in the job market and in business operations of individuals and their associations. Moreover, no energy and industry policy has been formulated that could serve as the groundwork for future jobs and progress. Only temporary measures have been used against inflation, which is again increasing. Price restrictions have undermined the economy of businesses and institutions, as well as their independence, and have, in fact, had the opposite effect of what was intended. Reallocations between employment sectors represent decades of regression. High taxes have been maintained, foreign loans steadily increased and have even replaced domestic borrowing by Treasury and public institutions. The opportunity for individuals to own their own homes and to control their property has decreased. Government control and interference have increased. The ambivalent attitude of the government on defense issues and the postponement of important measures in that area put the country in jeopardy.

Therefore, the congress declares staunch opposition to the government. The government's policies and their implementation are clearly not in accord with the basic philosophy of the Independence Party ministers. The congress challenges these ministers to resign from the government and asks the Althing party representatives who have supported it so far to renounce that support. Then, a united Independence Party can form a new government that is based on its policies.



## New Deputy Chairman Elected

Reykjavik MORGUNBLADID in Icelandic 3 Nov 81 p 20

[Editorial: "After the Congress"]

[Text] From the time that Geir Hallgrimsson gave the opening speech at the Congress of the Independence Party until it was over, all of the delegates realized that neither disagreements over issues nor ideas about structural changes were the underlying cause of the discord within the party. This was confirmed at the congress. There was unanimous agreement on the basic platform, while radical proposals for changes in the structure of the Independence Party were referred to the Central Committee and the Althing group for further examination. When the Independence Party discusses its problems, there is a strong tendency to put policy before people. Therefore, it must be considered a major accomplishment in creating preconditions for party unity, to have succeeded in reaching unanimous agreement on a general platform. Government backers within the ranks of the Independence Party can no longer contend that they do not speak the same language as the party majority because of party policy.

The party's attitude towards the government was expected to be addressed at the congress. A special no-confidence resolution against the government was brought up. It argued that the congress should consider the policies and activities of the government to be at odds with the views of the Independence Party and that they serve only to bolster the influence of those who are the staunchest opponents of these views. The resolution was widely debated on the last day of the meeting, when Prime Minister Gunnar Thoroddsen defended the government. In spite of his apology, 700 delegates voted for the resolution, while 237 opposed it. Thus, the great majority declared their staunch opposition to the government with the following words: "The government's policies and their implementation are clearly not in keeping with the basic philosophy of the ministers from the ranks of the Independence Party. The congress challenges these ministers to resign from the government and the members of the Althing group who have so far supported it to renounce that support." The majority of the congress delegates thought that as soon as the ministers of the Independence Party resigned, the Independence Party could be united and form a government based on its platform.

Ever since the government was formed, the spears of its members have been pointed at Geir Hallgrimsson, the chairman of the Independence Party. Sometimes these people have spoken as if they had the power to decide who should be the chairman of the party, declaring that they did not like Geir Hallgrimsson at all. It is up to the Independence Party Congress to choose a chairman, and a great majority of the delegates rejected the interference of the government loyalists both inside and outside the party, and thus Geir Hallgrimsson was impressively reelected. His authority to form the leadership of the Independence Party has been renewed in a very graphic way. Hallgrimsson's speech at the inauguration kindled a combative spirit among the congress delegates, which was the pivotal element in his victory over Palmi Jonsson. After the results of the chairmanship elections were in, Geir Hallgrimsson



said that he expected that the ordeal which the members and supporters of the Independence Party had been through would make them stronger in the battle with their enemies and on their path to victory. There is no doubt that this same wish is in the hearts of the party's rank-and-file when they ponder the reelection of Geir Hallgrímsson.

Fridrik Sophusson, an Althing representative, was elected deputy chairman of the Independence Party, replacing Gunnar Thoroddsen. Former Althing representative Ragnhildur Helgadóttir and Sophusson vied for the seat of deputy chairman in a spirit of "cooperation and friendship," to quote Helgadóttir when the results were announced. Fridrik Sophusson represents a new generation in the leadership of the Independence Party, a generation which up to now has considered its role to be mainly to discipline the forces in power. The new deputy chairman of the Independence Party has been very active within the party for a long time, and there is no doubt that the relations between the leadership and the rank-and-file will be reinforced by his election.

The Independence Party Congress ended without a split between the government opponents and loyalists. The congress has strengthened the position of those who are opposed to the government. This strength enabled them to attempt a rapprochement with the government loyalists, who, however, did not reveal what they were prepared to do to reach a reconciliation. The key question in Geir Hallgrímsson's opening speech, about the desire for reconciliation among government loyalists, has not been answered, but it is clear that their attacks on the chairman of the Independence Party and its policies are pointless if resumed after the congress.

#### Poll: Thoroddsen, Hallgrímsson Almost Even

Reykjavik MORGUNBLADID in Icelandic 20 Oct 81 p 12

[Text] DAGBLADID has published the results of a poll last Thursday about the support for factions in the parties.

Among the backers of the Independence Party, 58.2 percent did not take a stand, whereas 38 individuals, or 24 percent, said that they would support the "Gunnar faction," 26 persons, or 16.5 percent, the "Geir faction," and 2 persons, or 1.3 percent, the "Albert faction." In a similar poll that DAGBLADID published last May, 41.1 percent said they supported the "Gunnar faction," 32.9 percent did not take a stand, 20 percent supported the "Geir faction," and 5.9 percent the "Albert faction."

Of the 26 backers of the Social Democratic Party, 17 said they supported no faction in particular, 3 said they supported the "Vilmundur faction," and 2 said they backed Kjartan Jóhannsson and Benedikt Gröndal. Jon Baldvin Hannibalsson and Magnus H. Magnusson were also mentioned, and one person said he supported the "rightist faction."

Of the 68 backers of the Progressive Party, 59 did not support any particular faction. Three said they supported the "leftist faction," one mentioned the "SIS faction," and one mentioned Halldor Asgrimsson and Olafur Johannesson in particular.

Of the 43 backers of the People's Alliance, 39 did not support any faction. Two said they supported Svavar Gestsson, one Helgi Seljan, and one said he supported the "democratic faction."

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## WILLOCH DENOUNCES LABOR GOVERNMENT'S HANDLING OF USSR

Oslo AFTENPOSTEN in Norwegian 3 Nov 81 p 5

[Article: "Independent of Soviet Union"]

[Text] Somewhat unexpectedly there was something of a confrontation between Premier Willoch and former foreign minister Knut Frydenlund during the exchange following the premier's contribution to the debate. Frydenlund himself took up the matter of the advance stock piling, asking whether the Conservative government, on the basis of the criticism directed against the Labor Party, would now change the decision concerning stockpiling in Trondelag.

Knut Frydenlund referred to the criticism by the Conservatives to the effect that the labor government had shown a yielding attitude toward the Soviet Union. Premier Willoch replied that it was very unfortunate that the former foreign minister himself had used consideration for the Soviet Union as reason for not placing American stocks in Northern Norway.

"This conferred upon the Soviet Union an influence over Norwegian defense measures very problematical to assign to our large and powerful neighbor. The Soviet Union could plead that Norway has earlier acknowledged that the Soviet Union has the right to expectations as concerns our defense measures," Willock said, underlining that this problem will be met by sending stocks for increased forces in Northern Norway, to be used in a crisis situation.

Knut Frydenlund replied that he had never used relations with the Soviet Union as a reason for placing the advance stock piles in Trondelag. Premier Willoch said this was incorrect and promised to show Knut Frydenlund press clippings from his own files to document his assertion.

Thor Knudsen of the Conservatives mentioned the submarine affair in Sweden, saying that what has happened speaks plainly of the importance of effective preparedness--not only on the other side of the border. He stressed that the Soviet violation of Swedish territory is also a reminder of the means employed by the superpower, which are naturally not limited to neutral Sweden.

Tom Thoreson (Labor), Ostfold, asserted that the debate about NRK [Norwegian National Broadcasting Company] tends to become somewhat convulsive, but added that he saw various forms of softening of the NRK monopoly as a good thing, because, among other

things, good program-creating forces outside of the institution can be activated. In addition, Thoresen stressed that the Labor Party would participate in the debate on local radio and cable TV in an unprejudiced way. Hans Olav Tunesvik, Christian People's Party, Hordland, would welcome new media forms, but said that the Christian People's Party would give higher priority to local radio and so-called organization radio than to cable TV.

Conservative Hallgrim Berg, Buskerud, severely rebuked the critics of cable TV and satellite TV who have maintained that these cannot be introduced until the entire populace can enjoy them. "This is like complaining that book printing is a nuisance that should not be engaged in until everybody could afford to and would like to buy books," said Berg. Sissel Ronbeck (Labor Party), Oslo, severely criticized the Conservatives because certain signals indicate that the Conservative government will propose reduction of certain state benefits to children and young people and transfer these means to private organizations. Conservative Per-Kristian Foss, Oslo, said the government would not carry out drastic reductions in the so-called Ronbeck Plan.

"On the other hand, the Willoch government has announced a somewhat different view on how the money is to be used," said Foss.

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## CHRISTIAN PEOPLE'S PARTY, CENTER PARTY PLEDGE SUPPORT FOR WILLOCH

Oslo AFTENPOSTEN in Norwegian 3 Nov 81 p 5

[Article: "Kr. F./Sp Promise Support"]

[Text] "The Christian People's Party will make no attempt to bring down the new government." With this clear statement, Kjell Magne Bondevik, the party's parliamentary leader, showed that the Conservative government can count on support to assure a reasonable degree of stability. Center Party leader Johan J. Jakobsen also declared that his party is backing the formation of the Conservative government, in order in this way to assure the party's influence in policies. Attempts by Labor Party circles to drive wedges into the cooperation among the three parties were rebuffed in the debate.

"The Center Party does not intend to immerse itself so deeply in possible political problems and limitations that we lose sight of the political opportunities the new situation involves," said Jakobsen.

After having heard the main declarations by the Christian People's Party and the Center Party in the Storting yesterday, Premier Kare Willoch had the following to say to AFTENPOSTEN: "It seems to me that the two parties have in a positive way contributed to continued cooperation among the three non-Socialist parties. Nothing has happened that can hurt the cooperation. On the contrary, it has been strengthened.

Conservative chairman and parliamentary leader Jo Benkow emphasized that efforts have not come to an end to form a government in which all three cooperation parties would participate. "Even though the present government is strong both politically and professionally, we all realize that a government based upon a majority in the Storting is most consistent with our parliamentary system," Benkow said.

Benkow emphasized, however, that the present minority government must have reasonable working conditions to show what it can do. There is a limit to any cooperation. No government can be forced to govern contrary to the program upon which it has been elected and to which an increasing number of voters attach expectations. The government must now have the time and the opportunity to implement an alternative economic policy, said Benkow.

Benkow thought that though the Christian People's Party and the Center Party had promised to support the Conservative government, it does not mean that the two parties will refrain from marking their special character and causes for which they



stand. "It should be possible to do this without preventing the new government from showing what it can do," said Benkow.

Former Storting president Guttorm Hansen (Labor Party) thought the future prospects of the government should be described as uncertain since Bondevik, while promising not to strike down the government from the right at the same time protects himself by saying his party will engage in its own politics. To top it all, Conservative leader Benkow says there is a limit to the cooperation. Kjell Magne Bondevik replied that in combination with marking one's own political line it is possible to show will to reasonable compromises in matters where they may become necessary. This must apply to all parties, Bondevik thought. In a further exchange Bondevik also hinted that the Christian People's Party might go further in the direction of tax reductions than the party has thus far signaled.

Kare Kristiansen, chairman of the Christian People's Party, thought it worthy of note that the Conservative advance comes at a time when the party is drifting toward the center. Development in Norwegian politics since 1945 have been stamped by a development toward the left. The Conservative wave comes as a reaction to this long-term trend toward the left, Kristiansen asserted, adding that a government change was a sign of health at the present time.

11,256

CSO: 3108/13

## PAPER FAULTS VPK'S TRACK RECORD ON EVE OF CONGRESS

PM261531 Stockholm DAGENS NYHETER in Swedish 20 Nov 81 p 2

[Editorial by Olof Kleberg: "VPK--Reliable?"]

[Text] "What has happened?

What has happened?

Inflation is up to 15 percent."

This is how a striking recruitment poster for the Left Party-Communist [VPK] earlier this fall began.

The party has presented demands and criticism which have been effective. Its opposition to nuclear power together with the Center Party and many other organizations gave the VPK contact with new groups of voters. The opinion polls pointed upward.

The election in 1979 was a clear success for the party--over 300,000 voters and 5.6 percent of the votes, the best result since [former party leader] C. H. Hermansson's "Eurocommunist" victory election in 1966. The party retained its share of industrial workers (5 percent) but made gains among white-color workers and students. For the first time a minority of the party's voters were workers (only 41 percent). Employees in the public sector, especially in the health and social services, education and the cultural fields, are beginning to take over.

Everything should be rosy for the VPK which today opens its 26th congress in Soedertaelue. But:

"What has happened?

"What has happened?

The party is down to 4 percent!" [To win representation in the Riksdag a political party must gain 4 percent of all votes cast in Sweden.]

The most recent opinion polls have given this poor result. Perhaps this is a temporary accident. But ever since the nuclear power referendum the VPK has not won the increased support the party strategists had been hoping for.

Of course, there are several explanations why the VPK has never succeeded in becoming even a medium-sized party. The most important one is that in Sweden it is the Social Democrats who are the major workers party. But there are more recent causes. While it is true that opposition to nuclear power attracted many new, primarily young sympathizers to the party, it also weakened the party's position among trade union members and on the shop floor.

The VPK's program of unrealistic policies has given rise to doubts. A price and rent freeze, no value-added tax on food, and increase in house building, shortening the working day to 6 hours, greater support for culture and leisure, 2 or perhaps even 5 percent of the GNP in aid to developing countries, and expansion of the public sector.

All this will be paid for by taxes on production and on legacies, fortunes and profits. In an interview in the latest number of *Metallarbetaren* VPK leader Lars Werner "believes" that the account can be balanced. How many other people do?

Like a seemingly eternal skeleton in the cupboard, the VPK carries around with it its authoritarian Leninist inheritance. This covers its view of democracy, of socialism, of the Eastern European states. This is inevitably a point on which the majority of Swedes have the greatest misgivings. Several motions which have been submitted to the congress show that there are also groups within the party who want to get rid of the skeleton.

But like so many times before, the response from the party leadership is only halfhearted. But ever since C. H. Hermansson became party leader in 1964 the leadership has actually been trying to turn the party into a fullblooded Swedish Communist Party. But this has been done by fits and starts and inconsistently.

Keeping the party together was for a long time more important than making it democratically credible. Not even after the departure in 1977 of the Moscow communists did a clean break with the bad old traditions take place. There are many examples to be found in the book "His Master's Voice," published this fall. The book is at times unfairly critical but for the most part makes a good case.

The party leadership is of the opinion that the VPK is consistent in its criticism of the violations of freedom in the East and in its advocacy of the multiparty system and democratic rights in a socialist Sweden too. But C. H. Hermansson admitted in an article in *SOCIALISTISK DEBATT* that the party has been unable to analyze the conditions in the Eastern European countries. This is pretty weak--for the communist regimes have existed for more than 30 years, and the Soviet regime for more than 60.

The truth is that the VPK has sometimes been highly critical of the Soviet Union, for example, at the time of the invasion of Czechoslovakia or, more recently, when the submarine ran aground. But such criticism has been isolated, when the party has been forced into it. It has not dared to make an analysis of the Soviet Union as a system.

In the same article Hermansson also regrets that the party has not succeeded in giving a concrete description of how socialism is to be constructed in Sweden. The party has been in existence for 60 years and broke with its declared fidelity to the Soviet Union 17 years ago.

Both Lars Werner and C. H. Hermansson stress that the VPK would preserve the multiparty system, if the party came to power. At the same time Hermansson declared in SOCIALISTISK DEBATT that the party's 1972 program is "correct and satisfactory."

But in that program the party not only declares its allegiance to Marx but also to "Lenin's revolutionary theory" and proletarian internationalism, another term for Soviet domination. The party is guided by the principle of democratic centralism. All these three symbolic terms were reintroduced in 1972 after [word indistinct] "Eurocommunist" emphasis in the years after 1967. It has not been proposed that the words be scrapped by this year's congress. Lenin's theory is not democratic!

"I consider that it is correct and healthy that the party's members have the opportunity to put forward their personal views in the congress debates without their having the whole time to test these ideas' compatibility with a total strategic and tactical plan," Hermansson writes in SOCIALISTISK DEBATT, and no doubt means this to be taken positively. In what other party in the Riksdag would a leading party representative need to say something like that?

CSO: 3109/53

## NAVAL CONSTRUCTION DIRECTORATE'S DUTIES OUTLINED

Paris TAM in French 22 Oct 81 pp 20-21

[Text] The Technical Directorate for Naval Construction (DTCN) is responsible for research, construction, armament, testing, maintenance of ships of the fleet and also munitions, weaponry and equipment.

It directly employs about 32,000 people, at various locations:

--the dockyards: Cherbourg, Brest, Lorient, Toulon, where ships are built and repaired, but also where various research activities are carried out (for example: the underwater acoustic laboratory at Toulon);

--installations not located on naval bases, where production research is carried on in various fields (propulsive devices at Indret, torpedos at Saint-Tropez, and artillery, hydraulic missiles and simulators at Ruelle);

--a collection of research and laboratory services based in Paris at the "Technical Service for Naval Construction and Ordnance" (STCAN) which is primarily responsible for: setting standards and general specifications for the navy and supervising the contract research carried out in the various institutions under the DTCN umbrella as well as others in private industry; preparing blueprints for ships and drawing up specifications for each ship; exercising general supervision over naval construction work (and naval ordnance); to provide technical monitoring of equipment in service;

--an overseas base at Papeete whose main purpose is maintenance and repair of ships based in the Pacific.

In addition to its governmental missions, DTCN does contract work for private companies and foreign governmental agencies: naval construction and repair, precision manufacturing, steel-work, etc.

## DCAN Cherbourg

The DCAN [Directorate for Naval Weapons and Shipbuilding] at Cherbourg (employing 4,300 people) is responsible on the one hand for construction and arming of the navy's submarines, and also for the upkeep of light-tonnage surface ships based at Cherbourg.



The naval dockyards, where 86 submarines have been built, has completed building five missile-launching nuclear submarines of the Redoutable series and is presently completing work on a sixth; and five nuclear attack submarines of the Rubis class, the second of which, the Saphir, has just been put to sea. With an overall length of 72 meters, the nuclear attack submarine Suaphir has a 2,385-ton displacement at the surface and 2,670-ton displacement underwater. It has been designed for a 60-man team to be able to cruise for 45 days without reprovisioning.

The tactical armament consists of four torpedo tubes designed for launching 533.4-mm torpedos. It will also be equipped with multi-use missiles against surface targets, the SM-39. It can also launch mines.

#### DCAN Brest

The three main activities of the Brest DCAN (which employs 7,400 people) are construction of large ships (the biggest activity), maintenance of surface ships and maintenance of missile-launching submarines (SNLE) [Missile Launching Nuclear Submarines]. Strengthened by its experiences after building the aircraft carrier Clemenceau (32,000 tons), the helicopter carrier Jeanne-d'Arc (12,000 tons) and the missile-launching frigate Duguesne (6,000 tons), as well as many other ships, such as the oil supply-ship La Durance (18,000 tons) and the repair ship Jules-Verne (10,000 tons), (the DCAN at Brest is now involved in construction of a new series of eight Georges-Leygues class C-70 ASM's [Antisubmarine Vessels], of which number four, the corvette Jean-de-Vienne, will be launched in November 1981. The Dupleix, most recently commissioned for active duty, is primarily for antisubmarine warfare on the high seas, protection of naval forces and convoy escort. It can also carry out various secondary missions such as maritime surveillance, overseas representation and support of land operations.

With a length of 139 meters and a width of 14 meters, its displacement is 4,300 tons fully laden.

The C-70-s antisubmarine armament consists of two launch cradles for L-5 torpedos and two Lynx WG-13 helicopters armed with torpedos and grenades.

For antiaircraft defense it has a 100-mm turret, a Crotale weapons system and two 20-mm cannons.

Finally, for surface combat, it has four Exocete MM-38 ramps.

#### DCAN Lorient

The Lorient DCAN is primarily responsible for research, construction, armament and maintenance of small and medium-tonnage warships as well as maintenance and refitting of submarines.

With 4,200 employees the Lorient DCAN has already built missile-launching frigates of 6,000-ton displacement fully laden (Le Suffren), antisubmarine corvettes (Aconit), three Tourville class antisubmarine frigates, as well as A-69 Estienne-d'Orves class 1,250-ton dispatch-vessels, 10 of the 17 planned by the navy already being in service while three others have been built for export.

In that connection, two A-69's--the E.V. Jacoubet and Cdt Ducuing--were launched 26 September 1981, and the P.M. L'Her finishes its extended voyage in October 1981. The Cdt L'Herminier will soon begin tests at sea of a new low-compression diesel propulsion engine, designed to power future antisubmarine corvettes.

Also, the Lorient dockyards are completing construction of the first Eridan class tripartite mine chaser (CMT).

The CMT-class ships, developed jointly by France, Belgium and the Netherlands, are of the most advanced design and employ the latest technology.

In order to carry out its mission, which consists mainly in detecting and destroying undersea mines and moored mines (submerged mines held in place by a rope), it carries equipment capable of detecting submerged mines up to a depth of 80 meters and at a range of more than 500 meters. Mines submerged to a depth of as much as 150 meters can be neutralized with the help of the PAP-104, a selfpropelled "fist" which drops a charge of explosives close to the mine.

#### ECAN Indret

The Naval Construction and Ordnance Facility [ECAN] at Indret specializes in building propulsive systems for the national navy. The 6,500 people who work there played an important role in the development of naval propulsion and are involved successfully today in the most recent developments, such as nuclear propulsion, gas turbine propulsion, automation and remote guidance of the propulsion system on ships of the fleet.

The facility is oriented toward hydromechanical systems construction. It has also developed equipment to simulate the primary functions of submarines and surface ships.

#### DCAN Papeete

The 600 people who make up the personnel of DCAN Papeete are principally responsible for maintenance and repair of naval ships crossing or based in the Pacific, and occasionally ship repairs.

The Papeete DCAN performs valuable support services for the Pacific Experimental Station and the Atomic Energy Commission: maintenance and modification of specialized DIRCEN [Nuclear Experimentation Centers Directorate] ships, frequent involvement in emergency repairs to industrial or military installations, and is directly involved in material preparations for underground tests as well as workshop equipment modification.

#### ECAN Saint-Tropez

The Saint-Tropez ECAN is almost entirely devoted to torpedos. It designs, develops, builds and continues to monitor them after they are put into service. In this way it has acquired a great deal of experience.

The torpedo, though it has been in existence for more than a century, has been constantly changing, and remains an extremely modern weapon. It is in fact the only device capable of searching for and destroying the most modern nuclear submarines. In order to carry out this mission as rapidly as possible and at very great depths, it must have a high-performance propulsion system, special maneuvering equipment, and a highly sensitive automatic guidance system--and, quite obviously, it must carry a warhead capable of penetrating the veritable armor of a modern submarine hull.

In that regard, the F-17P torpedo, which is multi-mission (it can be launched either from a submarine or a surface ship), illustrates the advanced technology of the Saint-Tropez ECAN.

#### DCAN Toulon

The Toulon DCAN, the largest industrial establishment of southeastern France with its 8,900 employees, has several distinct missions:

- Maintenance of the ships of the Mediterranean squadron;
- Industrial maintenance and inspection of the aircraft of the naval air force and their equipment;
- Research and experimentation relative to equipment and arms systems for naval forces;
- Construction of harbor craft and light-tonnage floating equipment;
- Maintenance of munitions (conventional surface weapons, submarine weapons, missiles) and some munitions manufacture.

The fleet support mission must be understood in a broad sense, because it includes, beyond maintenance work proper, modernizing and refitting projects which are sometimes very extensive, such as the work presently being carried out on the aircraft carrier Foch. When that refitting is complete, the Super Etendard will have replaced the Etendard, the tactical nuclear weapon, and a new generation of air-to-sea missiles will be in place. In addition, the electronics and habitability of the ship will be improved and modernized.

The aviation division, which oversees major maintenance calls of naval aircraft, is responsible for:

- 30 Alize BR-1050's (anti-submarine warfare aircraft);
- 39 Etendard IV's and 71 Super Etendards (seaborne fighters and reconnaissance aircraft);
- 30 Crusader F-8E's (seaborne all-weather interceptors);
- 35 Atlantic BR-1150's (all-weather antisubmarine patrol craft) and the New Generation Atlantic, whose prototype is undergoing its first official tests.

9516

CSO: 3100/104

## OBJECTIONS TO INCREASE IN MILITARY SECURITY FUNDING

Paris LE MONDE in French 8-9 Nov 81 p 7

[Article: "The Increase in Defense Credits Is Seen As a 'Veritable Provocation' by the Human Rights League"]

[Text] Before the National Assembly's defense committee, Henri Nogueres, president of the Human Rights League, expressed his surprise at finding that the reform of the Military Security Unit (LE MONDE of 23 October 1981), announced by Charles Hernu, minister of defense, had been entrusted to the present head of the unit whereas there is an official desire to reform its attitude. It is known that Charles Hernu requested Lt Gen Michel-Antoine Jorant, director of the Military Security Unit, to prepare for him within a month proposals for the reorganization of that institution charged with guarding against "meddling and subversive interference of all kinds" in the armed forces.

Under these conditions, Henri Nogueres told the deputies, the sharp increase in the allocations slated for data processing facilities in the Military Security Unit has assumed the character of a veritable provocation. The total budget of the Military Security Unit for 1982 is 28.25 million francs, up by 18.20 percent compared to the allocation for 1981.

The president of the Human Rights League also recalled that the Military Security Unit should be replaced by a directorate, namely, the Directorate of Protection and Defense Security, which should concern itself exclusively with the security of the army and its facilities rather than with "witchhunts."

Yves Lancien, RPR [Rally for the Republic] deputy from Paris, on his part expressed his feeling that the protection of national defense secrets justified the existence of specialized agencies and that it was appropriate for the new Directorate of Protection and Defense Security "to turn its back on certain practices including witchhunts" but that it should continue to perform its important role of providing protection.

2662

CSO: 3100/125

## NEW ARMOR-PIERCING ARTILLERY SHELL ADOPTED

Paris- LE MONDE in French 8-9 Nov 81 p 7

[Article "The French Army Adopts the Flat-Trajectory Antitank Shell"]

[Text] The general staff of the French army has decided to adopt the flat-trajectory antitank shell, which is able to pierce all types of armor known to date. Already now the armies of four countries (the United States, the Soviet Union, Britain, and Israel) have such ammunition and theoretically it is the French II Army Corps, whose armored regiments are stationed in the Federal Republic of Germany, which will begin to receive these shells in 1982.

Compared to the armor-piercing shot and the hollow-charge shell in use in most armed forces in the world, the flat-trajectory antitank shell incorporates simultaneously the possibility of very flat trajectory, very short travel time (because of its great initial velocity), and excellent accuracy. The shell looks like a small metal bar with a rear fin stabilizer, made of a tungsten alloy, of smaller caliber than a cannon shell, and mounted in a sabot propelled by an explosive shell case which fires the flat-trajectory shell.

The flat-trajectory shell has a velocity of 1,500 meters per second (compared to 1,000 meters per second for the hollow-charge shell) and its operating combat range is 1,800 meters (compared to 1,300 meters for the hollow-charge shell). Since its trajectory is flat and its shape is such that it is subject to lesser braking action during its trajectory, it can pierce the armor of a tank at a distance of 5,000 meters. Its piercing effects are the same regardless of distance and its accuracy is great--to within one square meter at a distance of 2,000 meters.

These performance and other characteristics mandate the inclusion of flat-trajectory shells in a modern arsenal. However, such materiel is costly, in the order of 8,000 francs each compared to 3,000 francs for existing ammunition of the same caliber. The capability of the flat-trajectory shell is also inconvenient for peacetime training since only the camp at Canjuers (Department of Var) is able to offer--thanks to its 35,000 hectares of area--the possibility to follow safety parameters imposed during firing exercises.

The flat-trajectory shell will not replace the ammunition already allocated to the armored regiments. Rather, beginning in 1982, it will complement hollow-charge, explosive, flare, and smoke shells. Initially, the armor-piercing shells will be used by the 105-millimeter guns of the AMX-30 tanks, while subsequently the 90-millimeter guns of the Sagaie armored cars and the army's machinegun-mounted vehicles as well as the VCB-90 armored vehicles of the mobile gendarmerie will use these flat-trajectory shells.



## 'MILLIYET'S' SAMI COHEN EYES PURPOSE OF 'BRIGHT STAR-82'

Istanbul MILLIYET in Turkish 19 Nov 81 p 2

[From MILLIYET Staff Writer Sami Cohen's Column "A Look At The World," titled: "A Rehearsal for What"]

[Text] In the 1960's we witnessed large military maneuvers carried out in the south of Iran within the CENTO framework.

Taking off from the U.S., C-130's, the most powerful transport aircraft of the time, carried thousands of paratroopers as well as military supplies to the region in the southern part of Iran where the Dezful air base was located.

The American units, which we observed being air-dropped into the middle of the desert were rapidly joining the "fight" against the "enemy" alongside the Iranian forces.

Within 18 hours, these planes, refueled at the bases then located in Spain and Turkey, reached Iran from Turkey and were able to bring units to support the Iranians.

This was the purpose of the maneuvers. In briefings to journalists, it was indicated that in the event Iran were to be attacked (the direction from which Iran, a CENTO member, would be attacked being considered obvious), the U.S. would be able to come rapidly to the aid of the Iranian Army. Furthermore, the hope was expressed that these joint maneuvers would have a deterrent effect on those considering attacking.

Without a doubt, the maneuvers were carried out successfully from the military standpoint. Even the severe sandstorm which we experienced did not hinder the maneuvers. The American and Iranian soldiers tenaciously carried out this 3-day war game in complete harmony.

But later, what happened? First CENTO became a paper organization; then, later, with the overthrow of the Shah, Iran changed direction. Khomeyni became the number one enemy of the U.S.; the U.S. carried out an operation to rescue the hostages, but messed it up.

The purpose of the maneuvers carried out back then was to see how the U.S. could protect Iran from a Soviet attack. It is true that Iran today is not under Soviet occupation or influence, but it is definitely anti-U.S.

We recalled all this while following the news concerning the "Bright Star-32" maneuvers which began in the Middle East a few days ago.

The basic purpose of these maneuvers also, from the military angle, is to discover and demonstrate how--with its much more modern resources by comparison with the 1960's--the U.S. could project its military power rapidly into the Middle East. Consequently, this time, in addition to the C-130's, C-5A's and C-141's were able, within 14 hours, to convey 866 soldiers and heavy military materiel from the Fort Bragg base in North Carolina to Egypt, without landing anywhere for refueling.

The [press] agencies, in the first section of these extensive maneuvers which will last until the end of the month and will encompass Oman, Sudan and Somalia, reported on the organized manner in which these soldiers and this military materiel were air-dropped into the middle of the desert.

Undoubtedly, the maneuvers are unfolding very successfully from the military standpoint. Truly, this war game has demonstrated how quickly the rapid deployment force set up last year and given [in Turkey] the nicknam "Mobile Force" could reach the Middle East and assist the armies of friendly countries in the event the need arose.

According to the spokesmen for the "Mobile Force" this was the basic purpose of the maneuvers.

But is this all? Do the maneuvers not have a political aspect and purpose?

There certainly must be.

Right away, let us remember the following: The U.S. is not the only one to have engaged in a show of force. Did the Soviets not just recently send a "rapid intervention" fleet to South Yemen, which is under its influence? And did it not undertake joint maneuvers with Syria?

The purpose of the maneuvers which the Americans are now undertaking is to test how various friendly countries, particularly Egypt, are to be protected in the face of a "foreign attack."

However, in this case, how valid is the assumption that this attack will come from the Soviet Union? Would the Soviets dare to seize the Gulf countries or Egypt with a military attack? Truly, the Afghanistan incident (although conditions are different) has been a warning, but the Iranian example has shown that the West can find itself facing difficult situations without a Soviet military intervention. Today, the future of many mostly Middle Eastern countries is tied to today's regimes; in fact, to the fate of the leaders. How much of a role can the "Mobile Force" play in the preserving of the regimes, in the achieving of stability in friendly countries.

Moreover, as U.S. military specialists admit, the "Mobile Force" does not have the real military power to stop a Soviet attack. A force of a few thousand persons

brought rapidly from the U.S. would not be particularly effective in a widespread hot war.

However, an important purpose of the "Bright Star-82" maneuvers is clearly to issue a serious warning to regional countries "hostile" to states such as Egypt and Sudan, which are friendly to the U.S. (to be frank, Libya in particular). It is true that the Libyans and the "radical" states in the region have followed the Moscow line, characterizing the maneuvers as a "rehearsal for the invasion of Libya." These words aside, it is evident that the U.S. carried out these maneuvers particularly to show that it would not remain passive in the face of an attack originating from that quarter.

In the event this type of maneuvers, in spite of all their "bright" aspects from the military angle, have a "deterrent" effect in the political arena, then they can truly be considered a success.

CSO: 4654/80

GENERAL

FEDERAL REPUBLIC OF GERMANY

THAI PAPER REPORTS ON REFUGEE RESCUE SHIP

BK290319 Bangkok NATION REVIEW in English 29 Nov 81 p 2

[Article by Sutthichai Yun]

[Text] Bonn, West Germany--A ship chartered by a private organization here to pick up Vietnamese "boat people" in the South China Sea has come under severe pressure to stop its operations after the Bonn government has said the various federal states have refused to accept more Indochinese for resettlement beyond the 28,000 quota, according to official German sources and chief organizers of the humanitarian programme.

They told the NATION in separate interviews here last week that the fate of 377 Vietnamese boat people picked up in the South China Sea 4 months ago by the ship, the "Cap Anamur" remains uncertain as the negotiations continued between the Bonn government and Dr Rupert Neudeck, director of the sea rescue project.

Dr Neudeck told the NATION in an interview here: "We have asked the government for the Cap Anamur to operate for 5 more months before we turn the ship into a European venture instead of a strictly West German effort. But so far, every government agency has been passing the buck from one unit to another. It is a very irritating situation."

The ship has picked up 8,807 Vietnamese boat people since it launched its operations in February, last year, with total public donations from the West German people of about DM14 million (about 140 million baht).

A senior official of the German Foreign Affairs Ministry charged in a separate interview that the presence of the Cap Anamur in the South China Sea had served as a "magnate" in drawing more Vietnamese boat people out of their country.

But Dr Neudeck, a radio broadcaster by profession, countered that the accusation was "ridiculous" and had been cited by government bureaucrats "to avoid confronting a genuine problem."

"Let's see whether the boat people will stop coming out of Vietnam when and if the Cap Anamur stops its operations," he said. A senior German foreign affairs

official in charge of Southeast Asian affairs told the NATION that the central government had had to stop receiving new boat people from Indochina because the 11 federal states (Bundeslander) had refused, for the time being anyway to accept new refugees above the earlier quota of 28,000 from Indochina.

"The central government has no authority on this matter. The decision depends on the individual federal states on how many refugees they could take. And for the time being, they have been swarmed by too many refugees and related problems. The Cap Anamur must stop its operations," the official said.

Dr Neudeck flew to Singapore last Friday (Nov 20) to greet the Cap Anamur which was allowed to make a brief port call.

From his residence in Cologne near Bonn, Dr Neudeck told the NATION before he left again for Southeast Asia that he had just received two pieces of "good news."

"First of all, the European parliament, meeting in Strasbourg near the French border today (Nov 19) agreed in principle to accept the Cap Anamur as a European rescue ship and to comply with the plea for more financial contributions. To kick off the move, the mayor of Strasbourg has agreed to accept 5 of the Vietnamese families for resettlement in his area from the group of over 300 boat people still on board the ship," Dr Neudeck said.

"I don't think the central government can maintain its current negative position. The politicians and government leaders are just playing games. They keep passing the buck on and on. But it has to stop somewhere. Everybody here talks about humanitarianism but the government doesn't want to make a move to keep the privately-funded humanitarian drive alive," he charged.

On the government side, a senior official said the temporary halt in the intake of boat people from the Cap Anamur had been caused by other related problems, including the presence of about 4 million foreign workers (about 2 million of them Turkish). Also, in the last 5 years, 100,000 people have sought political asylum. But German officials charged that many of these applicants were merely "economic migrants" seeking better job opportunities in West Germany.

"While they await work permits, the German Government has to pay for their food and clothings as well as accommodation. And we have about 60,000 people in this category at the moment," the official said.

"The influx has simply overwhelmed our country. We just can't cope with them. But then we have written into the constitution that West Germany, for historical reasons, must accept political refugees. We also have a law which specifically says that West Germany is obliged to accept all refugees in distress on high seas picked up by ships carrying German flags," the official says.



**END OF**

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**DATE FILMED**

Dec. 16, 1981

